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CONTEMPORARY SOCIALISM

BY

JOHN RAE, M.A.

SECOND EDITION, REVISED AND ENLARGED

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PREFACE.

In the present edition the original work has not only been carefully revised, but very considerably enlarged. The chapters on "The Progress and Present Position of Socialism" and "Russian Nihilism" contain a few sentences retained from the first edition, but otherwise they are entirely new—the former necessarily so on account of the nature of its subject, and the latter on account of the importance of the fresh materials that have been recently given to the world. A new chapter has been added on "Anarchism," and another, of considerable extent, on "State Socialism." No apology is required for the length of the latter, for though State socialism is only a growth of yesterday, it has already spread everywhere, and if it is not superseding socialism proper, it is certainly eclipsing it in practical importance, and to some extent even modifying it in character. Revolutionary socialism, growing more opportunist of late years, seems losing much of its old phrenzy, and getting domesticated into a shifty State socialism, fighting a parliamentary battle for minor, though still probably mischievous, changes within the lines of existing society, instead of the old war *à l'outrance* against existing society in whatever shape or form. Anyhow the socialistic controversy in the immediate future will evidently be fought along the

lines of State socialism. It is there the hostile parties meet, and it is well therefore to get, if we can, some more exact knowledge of the ground. Some of the other chapters in the work have been altered here and there for the purpose of bringing their matter, where necessary, down to date, or embodying fresh illustrative evidence, or occasionally of making the exposition itself more lucid and effective; but it is unnecessary to specify these alterations in detail.

April, 1891.

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CHAPTER I.

INTRODUCTORY.

It was a common topic of congratulation at the Exhibition of 1862 that the political atmosphere of Europe was then entirely free from the revolutionary alarms which overclouded the first Exhibition in 1851; but in that very year the old clouds began to gather once more at different quarters of the horizon. It was in 1862 that Lassalle delivered to a club of working men in Berlin his address on "The Present Epoch of the World, and the Idea of the Working Class," which was published shortly afterwards under the title of "The Working Man's Programme," and which has been called by his friends "The Wittenberg Theses" of the new socialist movement; and it was at the Exhibition itself that those relations were established between the delegates of English and French trade societies which issued eventually in the organization of the International. The double train thus laid has put in motion a propaganda of social revolution more vigorous, widespread, and dangerous than any which has preceded it.

But though the reappearance of socialism was not immediately looked for at the time, it could cause no serious surprise to any one who considered how nearly the socialist theory is allied with some of the ruling ideas of modern times, and how many points of attraction it presents at once to the impatient philanthropy of enthusiasts, to the passions of the multitude, and to the narrow but insistent logic of the numerous class of minds that make little account of the complexity of life. Socialism will probably never keep long away during the present transitional period of society, and there is therefore less interest in the mere fact of its reappearance than in marking the particular form in which, after a prolonged retirement, it

has actually returned; for this may perhaps be reasonably taken to be its most vital and enduring type, and consequently that with which we shall mainly have to reckon in the future.

Now the present movement is, before all, political and revolutionary. The philanthropic and experimental forms of socialism, which played a conspicuous *rôle* before 1848, perished then in the wreck of the Revolution, and have never risen to life again. The old schools have dispersed. Their doctrines, their works, their very hopes have gone. The theories of man's entire dependence on circumstances, of the rehabilitation of the flesh, of the passional attraction, once in everybody's mouth, have sunk into oblivion. The communities of Owenites, St. Simonians, Fourierists, Icarians, which multiplied for a time on both sides of the Atlantic, are extinct. The socialists of the present day have discarded all belief in the possibility of effecting any social regeneration except by means of political authority, and the first object of their endeavours is therefore the conquest of the powers of the State. There are some exceptions, but these are very unimportant. The communistic societies of the United States, for instance, are mostly organizations of eccentric religious sects which have no part or influence in the life of the century. The Colinsian Collectivists, followers of the Belgian socialist Colins, are a mere handful; and the Familistère of Guise in France—a remarkable institution, founded since 1848 by an old disciple of Fourier, though not on Fourier's plan—stands quite alone, and has no imitators. Non-political socialism may accordingly be said to have practically disappeared.

Not only so, but out of the several sorts and varieties of political socialism, only one has revived in any strength, and that is the extremest and most revolutionary. It is the democratic communism of the Young Hegelians, and it scouts the very suggestion of State-help, and will content itself with nothing short of State-transformation. Schemes such as were popular and noisy thirty years ago—schemes, involving indeed organic changes, but organic changes of only a partial character—have gone to their rest. Louis Blanc, for example, was then a name of some power; but, remarkably enough, though Louis Blanc was but the other year buried with great

honour, his Organization of Labour seems to be as completely forgotten as the Circulus of Leroux. M. G. de Molinari writes an interesting account of the debates that took place in the working men's clubs of Paris in the year 1868–9—the first year they were granted liberty of meeting after the establishment of the Second Empire—and he states that while Fourier and Cabet were still quoted by old disciples, though without any idea of their systems being of practical moment, Louis Blanc's name was not even mentioned. Proudhon's gospel of a State bank of mutual credit for furnishing labourers with capital, by issuing inconvertible notes without money and without price, has still a sprinkling of faithful believers, who call themselves Mutualists; but they are extremely few, and, as a rule, the socialists of France at the present day, like those of Germany, put their faith in iron rather than paper. What they want is a democracy of labour, to use one of their own phrases—that is, a State in which power and property shall be based on labour; where citizenship shall depend on a labour qualification, instead of a qualification of birth or of property; where there shall be no citizen who enjoys without labouring, and no citizen who labours without enjoying; where every one who is able to work shall have employment, and every one who has wrought shall retain the whole produce of his labour; and where accordingly, as the indispensable prerequisite of the whole scheme, the land of the country and all other instruments of production shall be made the joint property of the community, and the conduct of all industrial operations be placed under the direct administration of the State. Furthermore, all this is contended for as a matter of simple right and justice to the labouring classes, on the ground that the wealth of the nation belongs to the hands that made it; it is contended for as an obligation of the State, because the State is held to be merely the organized will of the people, and the people is the labouring class; and it is contended for as an object of immediate accomplishment—if possible, by ordinary constitutional means; but, if not, by revolution.

This is the form in which socialism has reappeared, and it may be described in three words as Revolutionary Socialist Democracy. The movement is divided into two main branches

—socialism proper, or collectivism, as it is sometimes called, and anarchism. There are anarchists who are not socialists, but hold strongly by an individualist constitution of property. They are very few, however, and the great mass of the party known by that name in our day, including the Russian Nihilists, are as ardent believers in the economic socialism of Karl Marx as the Social Democrats of Germany themselves. They diverge from the latter on a question of future government; but the differences between the two are only such as the same movement might be expected to exhibit in passing through different media, personal or national. Modern democrats have been long divided into Centralists and Federalists—the one party seeking to give to the democratic republic they contemplate a strongly centralized form of government, and the other preferring to leave the local communes comparatively independent and sovereign, and free, if they choose, to unite themselves in convenient federations. The federal republic has always been the favourite ideal of the Democrats of Spain and of the Communards of Paris, and there is generally a tendency among Federalists, in their impatience of all central authority, to drop the element of federation out of their ideal altogether, and to advocate the form of opinion known as "anarchy"—that is, the abolition of all superior government. It was very natural that this ancient feud among the democrats should appear in the ranks of socialist democracy, and it was equally natural that the Russian Radicals, hating the autocracy of their country and idealizing its rural communes, should become the chief adherents of the federalist and even the anarchic tradition.

This is the only point of principle that separates anarchism from socialism. In other respects anarchism may be said to be but an extremer phase of socialism. It indulges in more violent methods, and in a more omnivorous spirit of destruction. Its fury takes a wider sweep; it attacks all current beliefs and all existing institutions; it puts its hopes in universal chaos. I shall endeavour in a future chapter to explain, from peculiarities of the national character and culture, why this gospel of chaos should find so much acceptance in Russia; but it is no exclusively Russian product. It was preached

with singular coolness, as will be subsequently shown, by some of the young Hegelians of Germany before 1848, and it obtains among the more volatile members of most socialist organizations still. Attacks on religion, patriotism, the family, are very usual accessories of their practical agitations everywhere. As institutions and beliefs are seen to lend strength to each other, teeth set on edge against one are easily brought to gnash at all. A sharp check from the public authority generally brings out to the front this extremer element in German socialism. After the repressive legislation of 1878 the German socialists struck the restriction of proceeding "by legal methods" out of their programme, and the wilder spirits among them would be content with nothing short of a policy of general destruction, and, being expelled from the party, started an organization of their own on thoroughly anarchist lines.

Under these influences, the word socialism has come to contract a new meaning, and is now generally defined in a way that would exclude the very theories it was originally invented to denote. Its political element—its demand on the public power in behalf of the labouring class—is taken to be the pith and essence of the system. Mr. Cairnes, for example, says that the circumstance which distinguishes socialism from all other modes of social speculation is its invocation of the powers of the State, and he finds fault with Mr. Mill for describing himself in his "Autobiography" as a socialist, merely because his ideal of ultimate improvement had more in common with the ideal of socialistic reformers than with the views of those who in contradistinction would be called orthodox. The passage from the "Autobiography" runs as follows:—"While we repudiated with the greatest energy that tyranny of society over the individual which most socialistic systems are supposed to involve, we yet looked forward to a time when society will no longer be divided into the idle and the industrious; when the rule that they who do not work shall not eat will be applied, not to paupers only, but impartially to all; when the division of the produce of labour, instead of depending, as in so great a degree it now does, on the accident of birth, will be made by concert on an acknowledged principle of justice; and when it

will no longer either be, or be thought to be, impossible for human beings to exert themselves strenuously in procuring benefits which are not to be exclusively their own, but to be shared with the society they belong to." ("Autobiography," pp. 231–232). On this passage Mr. Cairnes observes:—"If to look forward to such a state of things as an ideal to be striven for is socialism, I at once acknowledge myself a socialist; but it seems to me that the idea which 'socialism' conveys to most minds is not that of any particular form of society to be realized at a future time when the character of human beings and the conditions of human life are widely different from what they now are, but rather certain modes of action, more especially the employment of the powers of the State for the instant accomplishment of ideal schemes, which is the invariable attribute of all projects generally regarded as socialistic. So entirely is this the case that it is common to hear any proposal which is thought to involve an undue extension of the powers of the State branded as socialistic, whatever be the object it may seek to accomplish. After all, the question is one of nomenclature merely; but people are so greatly governed by words that I cannot but regret that a philosophy of social life with which I so deeply sympathize should be prejudiced by verbal associations fitted, as it seems to me, only to mislead." ("Leading Principles of Political Economy," p. 316.)

Mr. Cairnes's objection is just; for a reformer's position ought to be determined, not by the distant ideal he may think best, if the conditions were ripe for its realization, but by the policy which he counts to be of present importance under the conditions that exist. He may cherish, as many orthodox economists do, the socialist hope. He may look for a time when comfort and civilization shall be more universally and securely diffused; when heads and hands in the world of labour shall work together in amity; when competition and exclusive private property and self-interest shall be swallowed up in love and common labour. But he knows that the transformation must be gradual, and that the material conditions of it must never be pushed on in advance of the intellectual and moral. And this cuts him off by a whole diameter from those who are now known as socialists. In every question of the day

he will be found in an opposite camp from them. For he makes the ideal what it is and ought to be—the goal of his action; they make it their starting-point, and the peculiarity of the case is that with their view of the situation they cannot make it anything else. For to their mind the struggle they are engaged in is not a struggle for amelioration, but for plain and elementary right. It is not a question of providing greater happiness for the greatest number; it is a question of doing them bare justice, of giving them their own, of protecting them against a disguised but very real expropriation. They declare that, under the present industrial arrangements, the labouring classes are in effect robbed of most of the value of the work of their hands, and of course the suppression of systematic robbery is an immediate obligation of the present. Justice is a basis to start from now, if possible, and not a dream to await hereafter. First let the labouring man have his rights, they cry, and then, and then only, shall you have the way clear for any further parley about his future. It is true that he is not the victim of individual rapacity so much as of the system, and that he cannot get his rights till the system is completely changed; but the system, they argue, can never be completely changed except by the power of the State, and why then not change it at once? Now, it is obvious how, to people who take this view of the matter, there should seem no other alternative but an instant reconstruction of industrial society at the hands of the State. For if it is justice that has to be done, then it appears only natural to conclude that it falls upon the State, as the organ of justice, to do it, and that it cannot do it too soon. The demand for the immediate accomplishment of their scheme by public authority is thus no accidental accessory of it merely, but is really inseparable from the ideas on which the scheme is founded. It is, in fact, so much, if I may use the word, the *note* of socialism wherever socialism makes itself heard in the world now, that it can only produce confusion to give the name of socialist to persons who hold this note in abhorrence, and virtually desire no more than the gradual triumph of co-operation.

It may be answered that the latter, like the former, aim not at a mere reform of the present industrial system, but at an

essential change in its fundamental principles—at an eventual suppression of exclusive property and unrestricted competition—and that it is therefore only proper to classify them with those who seek the like important end, however they may differ from the latter as to the means and seasons of action. This might be right, perhaps, if our only consideration were to furnish a philosophical classification of opinions; but we have to deal with a living and agitating party whose name and work are much canvassed, and there is at any rate great practical inconvenience in extending the current designation of that party so as to include persons who object strongly to its whole immediate work.

The inconvenience has doubled since Mill's time, because socialism has now become a much more definite programme of a much more definite party. Even in the old romantic schools the ruling characteristic of socialism was always its effort to realize some wrong view of distributive justice. It was more than merely an impracticable plan for the extinction of poverty, or the more equable diffusion of wealth, or the correction of excessive inequalities, although that seems to be so prevailing an impression that persons who have what they conceive more feasible proposals to offer for these purposes put them forward under the name of Practicable Socialism. But so far as these purposes go, they are common to almost all schools of social reformers, even the most individualist. If socialism meant only feeling earnestly about those inequalities, or desiring earnestly their redress, or even strongly resenting their inconsistency with an ideal of justice, then Mr. Herbert Spencer is as much a socialist as either Marx or Lassalle. "The fates of the great majority," says he, "have ever been, and doubtless still are, so sad that it is painful to think of them. Unquestionably the existing type of social organization is one which none who care for their kind can contemplate with satisfaction; and unquestionably men's activities accompanying this type are far from being admirable. The strong divisions of rank and the immense inequalities of means are at variance with that ideal of human relations on which the sympathetic imagination likes to dwell; and the average conduct, under the pressure and excitement of social life as at present carried on, is in

sundry respects repulsive." ("A Plea for Liberty," p. 4.) Socialists are far from being the only persons whose sense of justice is offended by much in the existing *régime*, and many very moderate politicians have held that the policy of the law should always favour the diffusion of wealth rather than its concentration; that it should always favour the active business interest rather than the idle interest; that it should always favour the weaker and more unprotected interest rather than the more powerful and the more contumelious. The socialism comes in not with the condemnation of the existing order of things, but with the policy recommended for its correction. There is no socialism in recognising the plain fact that the gifts of fortune, whether riches or talents, are not distributed in the world according to merit. There is no socialism in declaring that the rich, by reason of their riches, have responsibilities towards the poor; or that the poor, by reason of their poverty, have claims upon the rich. Nor is there any socialism in holding that the State has responsibilities towards the poor, and that the law ought, when necessary, to assert the reasonable claims of poverty, or enforce the reasonable duties and obligations of wealth. All that merely says that justice and humanity ought to govern in economic affairs, as they ought to govern in all other affairs of life; and this is an axiomatic position which nobody in the world denies. Only, axiomatic though it is, it seems to dawn on many minds like a revelation late in life, and they feel they are no longer as other men, and that they must henceforth call themselves socialists. This awakening to the injustice or inhumanity of things is not socialism, though socialism may often proceed out of it. Socialism is always some scheme for the removal of one injustice by the infliction of a greater—some scheme which, by mistaking the rights and wrongs of the actual situation, or the natural operation of its own provisions, or any other cause, would leave things more inequitable and more offensive to a sound sense of justice than it found them. The rich idler, for example, is always a great offence to the socialist, because, according to the socialist sense of justice, no man ought to be rich without working for his riches; and many other people will possibly agree with the socialist in that. But then the socialist

proposes to abolish the rich idler by a scheme which would breed the poor idler in overwhelming abundance, and for the sake of equalizing poverty and wealth, would really equalize indolence and industry—at once a more fatal and a more offensive form of injustice than that which it was designed to redress. Socialists find fault with the present order of things because the many workers support the few idlers; but most of the old socialist communities of France and America failed because of the opposite and greater injustice, that the few workers found themselves supporting the many idlers, and the consequence was a more harrowing sense of unfairness and a more universal impoverishment than prevailed under the old system. The rich idler who merely lives on what he has inherited may not belong to an ideal state of society; but the poor idler, who shirks and dawdles and malingers, because an indulgent community relieves him of the necessity of harder exertion, is equally unideal, and he is much more hurtful in the reality.

But the socialists, in their mistaken ideas of justice, do not stop at the rich idler. The rich idler is, in their view, a robber; but the rich worker is a greater robber still. It is characteristic of socialist thought to hold the accumulations of the rich to be in some sort of way unjustly acquired by spoiling the poor. The poor are always represented as the disinherited; their property is declared to have been taken from them perforce by bad laws and bad economic arrangements and delivered without lien into the hands of the capitalists. This view lived and moved in the old socialism, but it has been worked into a reasoned and professedly scientific argument as a basis and justification for the new. The old socialism usually exclaimed against the justice of interest, rent, property, and all forms of labourless income; but the new socialism pretends to prove the charge by economic principles. It alleges that all these forms of income are so many different forms of plundering the working classes, who are the real producers of wealth, and it sets up a claim on behalf of those classes to the whole value of the things they produce without any deductions for rent, interest, or profit—the right, as they call it, of the labourer to the whole produce of his labour. Now this is a very distinct

and definite claim of right and justice, and the whole final object of the socialist organizations of the present day is to get it realized, and realized at once, as claims of right and justice ought, and must, by the powers of the State. I shall have better opportunities at a later part of this work of proving how absolutely unfounded and unjust is this claim; but I mention it here merely to show that the essence of modern socialism is more and more unmistakably revealing itself as an effort to realize some false ideal of social or distributive justice. This is the deepest and most ruling feature of socialism, and it really necessitated the advance of the movement from the philanthropic to the political stage. The Owenites were content with the idea of a voluntary equality of wealth; but that is now dismissed as the mere children's dream, for popular rights are things to be enforced by law, and questions of justice are for the State. The political character of the movement has only brought forward into stronger relief the distorted ideal of justice which gave it being; and it has therefore become much more confusing than it formerly was for one to call himself a socialist merely because he dreams of better things to come, or because he would like to extinguish poverty, or to diffuse property, or to extend the principle of progressive taxation, or promote co-operation or profit-sharing, or any other just or useful measures of practical social reform. That is shown very well by a simple little tidemark. In the old days it was still possible, though it never was a happy choice, for Maurice and the promoters of the new co-operation movement to assume the designation of Christian Socialists; but although Schultze-Delitzsch was working on the same lines with even greater *éclat* at the time when the present socialistic movement began in Germany, he was left so far behind that he was thought the great anti-socialist, and the people to whom it was now considered appropriate to transfer the name of socialists were a set of university professors and others who advocated a more extended use of the powers of the State for the solution of the social question and the satisfaction of working-class claims.

The Socialists of the Chair and the Christian Socialists of Germany contemplate nothing beyond correctives and pal-

liatives of existing evils; but then they ask the State to administer them. They ask the State to inspect factories, or to legalize trades unions, or to organize working-class insurance, or to fix fair wages. Their requests may be wise or foolish, but none of them, nor all of them together, would either subvert or transform the existing industrial system; and those who propound them are called socialists merely because they make it part of the State's business to deal with social questions, or perhaps more particularly because they make it the State's business to deal with social questions in the interest of the working class. This idea of socialism seems largely to govern the current employment of the term. We often hear any fresh extension of the functions of the State condemned as socialistic even when the extension is not supposed to be made in the interests of the working class, or to be conducive to them. The purchase of the telegraphs was socialistic; the proposal to purchase the railways is socialistic; a national system of education is socialistic; and an ecclesiastical establishment, if it were now brought forward as a new suggestion, would be pronounced socialistic too. Since, in a socialistic community, all power is assigned to the State, any measure which now increases the power of the State gets easily represented as an approach to socialism, especially in the want—and it is one of our chief wants at present—of a rational and discriminating theory of the proper limits and sphere of public authority.

But in the prevailing use of the word, there is generally the idea that the intervention of authority to which it is applied is undertaken to promote the well-being of the less fortunate classes of society. Since socialism seeks to construct what may be called a working class State, where the material welfare of each shall be the great object of the organization of all, it is common to represent as socialistic any proposal that asks the State to do something for the material well-being of the working class, and to describe any group of such proposals, or any theory that favours them, by the name of socialism. The so-called State-socialism of Prince Bismarck, for example, is only, as he has himself declared, a following-out of the traditions of the House of Hohenzollern, the princes of that dynasty

having always counted it one of their first duties as rulers to exercise a special protection and solicitude over the poorer classes of their subjects. The old ideas of feudal protection and paternal government have charms for many minds that deplore the democratic spirit of modern society. In Germany they have been maintained by the feudal classes, the court, and the clergy; their presence in the general intellectual atmosphere there has probably facilitated the diffusion of socialistic views; and they have certainly led to the curious phenomenon of a Conservative socialism, in which the most obstinately Conservative interests in the country go to meet the Social Democrats half way, and promise to do everything to get them better wages if they will but come to church again and pray for the Kaiser. The days of feudal protection and paternal government are gone; as idealized by Carlyle, they perhaps never existed; at any rate, in an age of equality they are no longer possible, but their modern counterparts are precisely the ideas of social protection and fraternal government which find their home among socialists. On the strength of this analogy, Prince Bismarck and the German Emperor are sometimes spoken of as socialists, because they believe, like the latter, that the State should exercise a general or even a particular providence over the industrial classes. But socialism is more than such a belief. It is not only a theory of the State's action, but a theory of the State's action founded on a theory of the labourer's right. It is at bottom, as I have said, a mistaken demand for social justice. It tells us that an enlargement of social justice was made when it was declared that every man shall be free—or, in other words, that every man shall possess completely his own powers of labour; and it claims that a new enlargement of social justice shall be made now, to declare that every man shall possess the whole produce of his labour. Now those who are known as Conservative Socialists, in patronizing the working people, do not dream of countenancing any such claim, or even of admitting in the least that there is anything positively unjust in the present industrial system. None of them would go further than to say that the economic position of the labourer is insufficient to satisfy his legitimate

aspirations in a civilized community; few of them would go so far. It is therefore highly confusing to class them among socialists.

M. Limousin, again, speaks of a "minimum of socialism." He would call no man a socialist who does not hold this minimum, and he would call every man a socialist who does hold it. And the minimum of socialism, in his opinion, is this, that the State owes a special duty of protection to labourers because they are poor, and that this duty consists in securing to them a more equitable part in the product of general labour. The latter clause might have been better expressed in less general terms, but that may pass. The definition recognises at any rate that the paternal or the fraternal theory of government does not of itself constitute socialism, and that this must be combined with the demand for a new distribution of wealth, on supposed grounds of justice or equity, before we have even the minimum of socialism. But it would have been more correct if it had recognised that the demand for a better distribution must be made not merely on *supposed*, but on *erroneous* grounds of justice or equity. If the proposed distribution is really just and equitable, nothing can surely be more proper than to ask the State to do its best to realize it and any practicable intervention for that purpose is only a matter of the ordinary expansion of the law. What is law, what is right, but a protection of the weak? and all legal reform is a transition from a less equitable to a more equitable system of arrangements. The equitable requirements of the poor are the natural concern of the State on the narrowest theory of its functions, and M. Limousin's definition would really include all rational social reformers under the name of socialist.

If we are in this way to stretch the word socialism first to the one side, till it takes in J. S. Mill and Maurice and the co-operators, who repudiate authority and State help, and then on the other side, till it takes in Prince Bismarck, and our own aristocratic Conservative Young England Party, and all social reformers who want the State to do its ordinary duty of supplying the working classes with better securities for the essentials of all humane living, how can there be any

rational and intelligible use of the word at all? Mill holds a more or less socialistic idea of what a just society would be; Bismarck holds a more or less socialistic view of the functions of the State; but neither of these ideas separately make up the minimum of socialism; and it would therefore be misleading to call either of them by that name, while to call both by it would be hopeless confusion, since the one politician holds exactly what the other rejects, and no more. But, after all, it is of less importance to define socialism in the abstract than to describe the actual concrete socialism that has organization and life, especially as the name is only transferred in common speech to all these varying shades of opinion, because they are thought to resemble that concrete socialism in one feature or another.

Having now ascertained the general nature of the contemporary socialistic movement, we shall be in a better position to judge of its bearings and importance. We have seen that the only form of socialism which has come to life again since 1848 is the political and revolutionary phase of Social Democracy. Now, this was also the original form in which socialism first appeared in modern Europe at the time of the earlier Revolution of 1789. The tradition it represents is consequently one of apparently vigorous vitality. It has kept its place in European opinion for a hundred years, it seems to have grown with the growth of the democratic spirit, and it has in our own day broken out simultaneously in most of the countries of the Continent, and in some of them with remarkable energy. A movement like this, which seems to have taken a continuous and extensive hold of the popular mind, and which moreover has a consciousness of right, a passion for social justice, however mistaken, at the heart of it, cannot be treated lightly as a political force; but at the same time its consequence is apt to be greatly overrated both by the hopes of sanguine adherents and by the apprehensions of opponents. Socialists are incessantly telling us that their system is the last word of the Revolution, that the current which broke loose over Europe in 1789 is setting, as it could not help setting, in their direction, and that it can only find its final level of

repose in a democratic communism. Conservative Cassandras tell us the same thing, for the Extreme Right takes the same view as the Extreme Left does of the logical tendency of measures. They feel things about them moving everywhere towards equality, they feel themselves helpless to resist the movement, and they are sure they shall waken one morning in a social revolution. Stahl, for example, thought democracy necessarily conducted to socialism, and that wherever democracy entered, socialism was already at the door. A few words will therefore be still necessary towards explaining, first, the historical origin of modern socialism; second, the relations of socialism to democracy, and, finally, the extent and character of the spread of the present movement.

Respecting the first of these three points, modern socialism was generated out of the notions about property and the State which appeared towards the close of last century in the course of the speculations then in vogue on the origin and objects of civil society, and which were proclaimed about the same time by many different writers—by Brissot, by Mably, by Morelly, and above all by Rousseau. Their great idea was to restore what they called the state of nature, when primitive equality still reigned, and the earth belonged to none, and the fruits to all. They taught that there was no foundation for property but need. He who needed a thing had a right to it, and he who had more than he needed was a thief. Rousseau said every man had naturally a right to whatever he needed; and Brissot, anticipating the famous words of Proudhon, declared that in a state of nature "exclusive property was theft." It was so in a state of nature, but it was so also in a state of society, for society was built on a social contract, "the clauses of which reduce themselves to one, viz., the total transfer of each associate, with all his rights, to the community." The individual is thus nothing; the State is all in all. Property is only so much of the national estate conditionally conceded to the individual. He has the right to use it, because the State permits him, while the State permits him, and how the State permits him. So with every other right; he is to think, speak, train his children, or even beget them, as the State directs and allows, in the interest of the common good.

These ideas circulated in a diffuse state till 1793. They formed as yet neither system nor party. But when Joseph Baboeuf, discarding his Christian name of Joseph (because, as he said, he had no wish for Joseph's virtues, and so saw no good in having him for his patron saint), and taking instead the ominous name of Caius Gracchus, organized the conspiracy of the *Egaux* in that year, then modern socialism began, and it began in the form in which it still survives. Baboeuf's ambition was to found what he called a true democratic republic, and by a true democratic republic he meant one in which all inequalities, whether of right or of fact, should be abolished, and every citizen should have enough and none too much. It was vain, he held, to dream of making an end of privilege or oppression until all property came into the hands of the Government, and was statedly distributed by the Government to the citizens on a principle of scrupulous equality. Misled by the name Caius Gracchus, people thought he wanted an agrarian law and equal division. But he told them an agrarian law was folly, and equal division would not last a twelvemonth, if the participants got the property to themselves. What he wanted, he said, was something much more sublime—it was community of goods. Equality could only be made enduring through the abolition of private property. The State must be sole proprietor and sole employer, and dispense to every man his work according to his particular skill, and his subsistence in honourable sufficiency according to his wants. An individual who monopolized anything over and above such a sufficiency committed a social theft. Appropriation was to be strictly limited to and by personal need.

Baboeuf saw no difficulty in working the scheme; was it not practised every day in the army, with 1,200,000 men? If it were said, the soil of France is too small to sustain its population in the standard of sufficiency contemplated, then so much the worse for the superfluous population; let the greater landlords first, and then as many sansculottes as were redundant, be put out of the way for their country's good. He actually ascribed this intention to Robespierre, and spoke of the Terror as if it were an excellent anticipation of Malthusi-

anism. Did any one say that, without inequalities, progress would cease and arts and civilization decay, Baboeuf was equally prepared to take the consequences. "Perish the arts," said a manifesto discovered with him at his apprehension, "but let us have real equality." "All evils," he said in his newspaper, "are on their trial. Let them all be confounded. Let everything return to chaos, and from chaos let there rise a new and regenerated world."

We have here just the revolutionary socialist democracy that is still rampant over Europe. Socialists now, indeed, generally make light of the difficulty of over-population which Baboeuf solved so glibly with the guillotine, and they contend that their system would humanize civilization instead of destroying it. They follow, too, a different tradition from Baboeuf regarding the right of property. While he built that right on need, they build it on labour. He said the man who has more than he needs is a thief; they say the man who has more than he wrought for is a thief. He would have the State to give every man an honourable sufficiency right off, according to his need; they ask the State to give every man according to his work, or, if unfit for work, according to his need, and they hold that this rule would afford every one an honourable sufficiency. But these differences are only refinements on Baboeuf's plan, and its main features remain—equality of conditions, nationalization of property, democratic tyranny, a uniform medium fatal to progress, an omnipresent mandarin control crushing out of the people that energy of character which W. von Humboldt said was the first and only virtue of man, because it was the root of all other excellence and advancement. In short, socialists now seek, like Baboeuf, to establish a democratic republic—a society built on the equal manhood of every citizen—and, like Baboeuf, they think a true democratic republic is necessarily a socialistic one.

This brings me to the next point I mentioned, the interesting problem of the true relations of socialism to democracy. Is socialism, as Stahl and others represent, an inevitable corollary of democracy? If so, our interest in it is very real and very immediate. For democracy is already here, and is at

present engaged in every country of Europe in the very work of reorganizing the social system into harmony with democratic requirements. Its hammer may make little sound in some places, but the work proceeds none the less effectually for the silence, and it will proceed, slowly or more rapidly, until all the institutions of the country have been renovated by the democratic spirit. Will the social system, which will result from the process, be socialism? "The gradual development of the principle of equality," says De Tocqueville, "is a providential fact. It has all the characteristics of such a fact. It is universal; it is durable; it constantly eludes all human interference; and all events, as well as all men, contribute to its progress. Would it be wise to imagine that a social movement, the causes of which lie so far back, can be checked by the efforts of one generation? Can it be believed that the democracy which has overthrown the feudal system and vanquished kings will retreat before tradesmen and capitalists? Will it stop now that it has grown so strong, and its adversaries so weak?" If, then, the natural tendency of democracy is to socialism, to socialism we must eventually go.

But the natural tendency of democracy is not to socialism. A single plain but remarkable fact suffices to establish that. Democracy has been in full bloom in America for more than a century, and there are no traces of socialism there except among some German immigrants of yesterday; for, of course, the communism of the eccentric religious sects of America proceeds from religious ideals, and has no bearing one way or other on the social tendency of democracy. The labouring class is politically everything in that country—everything, at least, that electoral power can make them in an elective republic; and they have never shown any desire to use their political power to become socially everything or to interfere with the freedom of property. Had this been in any way the necessary effect of democratic institutions, it must have by this time made its appearance in the United States. De Tocqueville, indeed, maintains that so far from there being any natural solidarity between democracy and socialism, they are absolutely contrary the one to the other. "Democracy," he said in a speech in the Republican Parliament of France

in 1849, "extends the sphere of individual independence; socialism contracts it. Democracy gives every individual man his utmost possible value; socialism makes every man an agent, an instrument, a cipher. Democracy and socialism coincide only in the single word equality, but observe the difference: democracy desires equality in liberty; socialism seeks equality in compulsion and servitude."

That is so far substantially true, but it cannot be received altogether without qualification. We have had experience in modern times of two different forms of democracy, which may be called the American and the Continental. In America equality came as it were by nature, without strife and without so much as observation; the colonists started equal. But freedom was only won by sacrifice; the first pilgrims bought it by exile; the founders of the Republic bought it a second time by blood. Liberty therefore was their treasure, their ark, their passion; and having been long trained in habits of self-government, they acquired in the daily exercise of their liberty that strong sense of its practical value, and that subtle instinct of its just limits, which always constitute its surest bulwarks. With them the State was nothing more than an association for mutual protection—an association, like any other, having its own definite work to do and no more, and receiving from its members the precise powers needed for that work and no more; and they looked with a jealousy, warm from their history and life, on any extension of the State's functions or powers beyond those primary requirements of public safety or utility which they laid upon it. In the United States property is widely diffused; liberty has been long enjoyed by the people as a fact, as well as loved by them as an ideal; the central authority has ever been held in comparative check; and individual rights are so general a possession that any encroachment upon them in the name of the majority would always tread on interests numerous and strong enough to raise an effectual resistance. Democracy has in America, accordingly, a soil most favourable to its healthy growth; the history, the training, and the circumstances of the people all concur to support liberty.

But on the Continent democracy sprang from very different

antecedents, and possesses a very different character. Equality was introduced into France by convulsion, and has engrossed an undue share of her attention since. Freedom, on the other hand, has been really less desired than power. The Revolution found the affairs of that country administered by a strong centralized organization, with its hand everywhere and on everything, and the Revolution left them so. Revolution has succeeded revolution; dynasties and constitutions have come and gone; almost every part of the political and social system has suffered change; the form of government has been republic, empire, monarchy, empire and republic again; but the authority of government, its sphere, its attributes, have remained throughout the same. Each party in succession has seized the power of the State, but none has sought to curb its range. On the contrary, their temptation lay the other way; they have been always so bent on using the authority and mechanism of government to impair or suppress the influence of their adversaries, whom they regarded as at the same time the adversaries of the State, that they could only wish that authority to be larger and that mechanism more perfect than they already were. Even the more popular parties are content to accept the existing over-government as the normal state of affairs, and always strive to gain the control of it rather than to restrain its action. And so it has come about that, while they sought liberty for themselves, they were afraid to grant it to their opponents, for fear their opponents should be able to get the authority of this too powerful administration into their hands and serve them in the same way. The struggle for freedom has thus been corrupted into a struggle for power. That is the secret of the pathetic story of modern France. That is why, with all her marvellous efforts for liberty, she has never fully possessed it, and that is why she seems condemned to instability.

A growing minority of the democratic party in France is indeed opposed to this unfortunate over-government, but the democratic party in general has always countenanced it, perhaps more than any other party, because to their minds government represents the will of the people, and the people cannot be supposed to have any reason to restrain its own

will. Besides, they are still dominated by the doctrines of Rousseau and the other revolutionary writers who looked with the utmost contempt on the American idea of the State being a kind of joint-stock association organized for a circumscribed purpose and with limited powers, and who held the State, on the contrary, to be the organ of society in all its interests, desires, and needs, and to be invested with all the powers and rights of all the individuals that compose it. Under the social contract, by which they conceived the State to be constituted, individuals gave up all their rights and possessions to the community, and got them back immediately afterwards as mere State concessions, which there could be no injustice in withdrawing again next day for the greater good of the community. Instead of enjoying equal freedom as men, the great object was to make them enjoy equal completeness as citizens.

From historical conditions like these there has sprung up on the Continent—in Germany as well as France—a quite different type of democracy from the American, and this type of democracy, while it may not be the best, the truest, or the healthiest type of it, has a tendency only too natural towards socialism. It contains in its very build and temperament organic conditions that predispose it to socialism as to its peculiarly besetting disease. It evinced this tendency very early in the history of the Revolution. As Ledru-Rollin reminded De Tocqueville, in replying to his speech, the right to labour on the part of the strong and the right to assistance on the part of the weak were already acknowledged by the Convention of 1793. Claims like these constitute the very A B C of socialism, and they have always moved with more or less energy in the democratic tradition of the Continent. Democracy, guided by the spirit of freedom, will resist socialism; but authoritative democracy, such as finds favour abroad, leans strongly towards it. A democratic despotism is obviously more dangerous to property than any other, inasmuch as the despot is, in this case, more insatiable, and his rapacity is so easily hid and even sanctified under the general considerations of humanity that always mingle with it.

It is therefore manifest that the question whether political

democracy must end in social, is one that cannot be answered out of hand by deduction from the idea. The development will differ in different countries, for it depends on historical conditions, of which the most important is that I have now touched on, whether the national character and circumstances are calculated to guide that development into the form of democratic liberty, or into the form of democratic tyranny. A second condition is scarcely less important, viz., whether the laws and economic situation of the country have conduced to a dispersion or to a concentration of property. For even in the freest democracy individual property can only be permanently sustained by diffusion, and, if existing conditions have isolated it into the hands of the few, the many will lie under a constant, and, in emergencies, an irresistible temptation to take freedom in their hand and force the distribution of property by law, or nationalize it entirely by a socialistic reconstruction. It used to be a maxim in former days that power must be distributed in some proportion to property, but with the advent of democracy the maxim must be converted, and the rule of health will now be found in having property distributed in some proportion to power. That is the natural price of stability under a democratic *régime*. A penniless omnipotence is an insupportable presence. When supreme power is vested in a majority of the people, property cannot sit securely till it becomes so general a possession that a majority of the people has a stake in its defence, and this point will not be reached until at least a large minority of them are actually owners, and the rest enjoy a reasonable prospect of becoming so by the exercise of care and diligence in their ordinary avocations.

The belief of Marx and modern socialists, that the large system of production, with its centralized capital and its aggregation of workpeople in large centres, must, by necessary historical evolution, end in the socialist State, is, as Professor A. Menger has pointed out, not justified by history. The latifundia and slavery of the decline of the Roman empire were not succeeded by any system of common property, but by the institutions of mediæval law which made the rights of private property more absolute and exclusive. And in our own time

the tendency to concentration of property in the hands of a few great capitalists is being corrected by the newer tendency to joint stock management, *i.e.*, to the union and multiplication of small capitalists; and this is of course a tendency back from, and not on towards, the social revolution Marx conceived to be imminent. But though the modern concentration of wealth may not for the moment be increasing, and if it were, may not on that account necessarily spell socialism, it certainly spells social peril; and the future, therefore, stands before us with a solemn choice: either property must contrive to get widely diffused peacefully, or it will be diffused by acts of popular confiscation, or perhaps be nationalized altogether; and the fate of free institutions hangs upon the dilemma. For in a democratic community the peril is always near. De Tocqueville may be right in saying that such communities, if left to themselves, naturally love liberty; but there are other things they love more, and this profound political philosopher has himself pointed out with what exceptional vigour they nourish two powerful passions, either of which, if it got the mastery, would prove fatal to freedom. One is the love of equality. "I think," says he, "that democratic communities have a natural taste for freedom; left to themselves they will seek to cherish it, and view every privation of it with regret. But for equality their passion is ardent, insatiable, insistent, invincible; they call for equality in freedom, and if they cannot obtain that, they still call for equality in slavery. They will endure poverty, servitude, pauperism, but they will not endure aristocracy." The other is the unreined love of material gratification. By this De Tocqueville does not mean sensual corruption of manners, for he believes that sensuality will be more moderate in a democracy than in other forms of society. He means the passion for material comfort above all other things, which he describes as the peculiar passion of the middle classes; the complete absorption in the pursuit of material well-being and the means of material well-being, to the disparagement and disregard of every ideal consideration and interest, as if the chief end and whole dignity of man lay in gaining a conventional standard of comfort. When a passion like this spreads from the classes

whose vanity it feeds to the classes whose envy it excites, social revolution is at the gates, and this is one of De Tocqueville's gravest apprehensions in contemplating the advance of democracy. For he says that the passion for material well-being has no check in a democratic community except religion, and if religion were to decline—and the pursuit of comfort undoubtedly impairs it—then liberty would perish. "For my part," he declares, "I doubt whether man can ever support at once complete religious independence and entire public freedom; and I am inclined to think that if faith be wanting in him he must serve, and if he be free he must believe." It is impossible, therefore, in an age when the democratic spirit has grown so strong and victorious, to avoid taking some reasonable concern for the future of liberty, more especially as at the same time the sphere and power of government are being everywhere continually extended, the devotion to material well-being, and what is called material civilization, is ever increasing, and religious faith, particularly among the educated and the working classes, is on the decline.

This is exactly the rock ahead of the modern State, of which we have been long warned by keen eyes aloft, and which seems now to stand out plainly enough to ordinary observers on the deck. Free institutions run continual risk of shipwreck when power is the possession of the many, but property—from whatever cause—the enjoyment of the few. With the advance of democracy a diffusion of wealth becomes almost a necessity of State. And the difficulty only begins when the necessity is perceived. For the State cannot accomplish any lasting or effective change in the matter without impairing or imperilling the freedom which its intervention is meant to protect—without, in short, becoming socialist, for fear of socialism; and when it has done its best, it finds that the solution is still subject to moral and economic conditions which it has no power to control. In trade and manufactures which occupy such vast and increasing proportions of the population of modern countries, the range of the State's beneficial or even possible action is very little; and in these branches the natural conditions at present strongly favour concentration or aggregation of capital. The small masters have simply been worsted in

ordinary competition with the large producers, and so long as the large system of production continues the cheapest system of production, no other result can be expected. The social problem, therefore, so far as these branches are concerned, is to discover some form of co-operative arrangement which shall reconcile the large system of production with the interests of the labouring class, unless, indeed—what is far from impossible—the large system of production is itself to be superseded in the further advance of industrial development. The economic superiority of that system depends greatly on the circumstance that the power now in use—water or steam—necessitates the concentration of machinery at one spot. Mr. Babbage predicted fifty years ago that if a new power were to be discovered that could be generated in a central place in quantities sufficient for the requirements of a whole community, and then distributed, as gas is, wherever it was wanted, the age of domestic manufactures would return. Every little community might then find it cheaper, by saving carriage, and availing itself of cheaper local labour, to manufacture for itself many of the articles now made for it at the large mills; and the small factory or workshop, so suitable, among other advantages, for co-operative enterprise, would multiply everywhere. Now, have we such a power in electricity? If so, not the least important effect of the new agent will be its influence on the diffusion of wealth, and its aid towards the solution of the social problem of the nineteenth century.

With land and agriculture the situation is somewhat different. The distribution of landed property has always depended largely on legal conditions; and since these conditions have—in this country at least—wrought for two centuries in favour of the aggregation of estates, their relaxation may reasonably be expected to operate to some extent in the contrary direction. Too much must not be built on this expectation, however, for the natural conditions are at present, at least, as partial to the large property as the legal. The abolition of entail and primogeniture, by emancipating the living proprietor from the preposterous tyranny of the dead, and by bringing to the burdened the privilege of sale, must necessarily throw greater quantities of land into the market than reach it now, but the

redistribution of that land will as necessarily conform to the existing social and economic circumstances of the country; and England will never cease to be characterized by the large property, so long as its social system lends exceptional consideration to the possession of land, and its commercial system is continually creating an exceptional number of large fortunes. The market for the large estate is among the wealthy, who buy land as an instrument of enjoyment, of power, of social ambition; and what with the wealth made at home and the wealth made in the colonies, the number of this class is ever on the increase; the natural market for the small estate, on the other hand, is among the farming class, to whom land is a commercial investment, and the farmers of England, unlike those of other countries, unlike those of our own country in former days, are as a rule positively indisposed to purchase land, finding it more profitable to rent it. This aversion, however, is much more influential with large farmers than with small ones. It is commonly argued as if a small farmer who has saved money will be certain to employ it in taking a more extensive holding, but that is not so. On the contrary, he more usually leaves it in the bank; in some parts of Scotland many small farmers have deposits of from £500 to £1000 lying there at interest; they studiously conceal the fact, lest their landlords should hear of it, and raise their rent, and they submit to much inconvenience rather than withdraw any portion of it, once it is deposited. Their ruling object is security and not aggrandisement, and consequently if land were in the market in lots to suit them, they would be almost certain to become purchasers of land. In forecasting the possibility of the rise of a peasant proprietary in this country, it is often forgotten that, whether land is a profitable investment for the farmer or not, the class of farmers from whom such a proprietary would be generated is less anxious for a profitable investment than for a safe one, and that to many of them, as of other classes, independence will always possess much more than a commercial value.

But, however this may be, land is distributed by holdings as well as by estates, and in connection with our present subject the distribution by holdings is perhaps the more important

thing of the two. "The magic of property" is no exclusive prerogative of the soil; ownership in stock will carry the same political effects as ownership in anything else; and a satisfactory system of tenant right may yield all the social and economic advantages of a peasant proprietary. In fact, tenant right, so far as it goes, is proprietorship, and it has before now developed into proprietorship even in name. The old lamented yeomanry of England were, the great majority of them, copyholders, and a copyholder was simply a tenant-at-will whose tenant right was consolidated by custom into a perpetual and hereditary property; and if the soil of England will ever again become distributed among as numerous a body of owners as held it in former ages, it will most likely occur through a similar process of consolidation of tenant right. But as it is—and though this is a truism, it is often overlooked in discussions on the subject—the tenants are owners as well as the landlords; their interests enlist them on the side of stability; they have a stake in the defence of property; and even though the prevailing tendency to the accumulation of estates continues unchecked, its peril to the State may be mitigated by the preservation and multiplication of small and comfortable holdings, which shall nourish a substantial and independent peasantry, and supply a hope and ambition to the rural labourers. This is so far well. We know that it is an axiom with Continental socialists that a revolution has no chance of success, however well supported it may be by the artisans of the towns, if the peasantry are contented and take no part in it; and the most serious feature in more than one of the great countries of Europe at this moment is the miserable condition into which their agricultural labourers have been suffered to fall, and their practical exclusion from all opportunities of raising themselves out of it. The stability of Europe may be said to rest on the number of its comfortable peasantry; the dam of the Revolution is the small farm. This is not less true of England than of the Continent, for although the agricultural population is vastly outnumbered by the industrial in this country, that consideration really increases rather than diminishes the political value of sustaining and multiplying a contented tenantry.

Now England is the classical country of the large farm as well as of the large estate. Its holdings have always been larger than those of other nations; they were so when half of them were owned by their occupiers, they are so still when they are rented from great landlords. The large farms have grown larger; a holding of 200 acres was counted a very large farm in the time of the Commonwealth; it would be considered a very moderate one in most English counties now. But yet the small farm has not gone the way of the small estate. The effects of consolidation have been balanced to such a degree by a simultaneous extension of the area of cultivation that the number of holdings in England is probably more considerable than it ever was before. If we may trust Gregory King's estimate, there were, 200 years ago, 310,000 occupiers of holdings in England, 160,000 owners, and 150,000 tenants; in 1880 there were, exclusive of allotments, which are now numerous, 295,313 holdings of 50 acres and under, and 414,804 holdings altogether. Moreover, the future of the small farm is much more hopeful than the future of the small estate or the small factory. All admit the small holding to be preferable to the large for dairy farming and market gardening; and dairy farms and market gardens are two classes of holdings that must continue to multiply with the growth of the great towns. But even with respect to corn crops, it is now coming to be well understood that the existing conditions of high farming would be better satisfied by a smaller size of holding than has been in most favour with agricultural reformers hitherto; because then, and then only, can the farmer be expected to bestow upon every rood of his ground that generous expenditure of capital, and that sedulous and minute care which are now necessary to make his business profitable. Without entering on the disputed question of the comparative productiveness of large and small farms, it ought to be remembered, in the first place, that the economic advantage of the large farm—the reason why the large farmer has been able to offer a higher rent than the smaller—is not so much because he produces more, as because he can afford to produce less; and, in the next place, that the small farmer has heretofore wrought, not only with worse appliances than the large—which perhaps

he must always do—but also with less knowledge of the theory of his art, and worse conditions of tenure—in both of which respects we may look for improvement in the immediate future. Even as it is, we find small farmers equalling the highest production of the country. In the evidence before the Duke of Richmond's Commission, there is a case of a farmer of three acres producing 45 bushels per acre, or about twice the average of the season in those bad years that impoverished the larger farmers. The same body of evidence seems to prove that the small farmer has more staying power—a better capacity of weathering an agricultural crisis—than the large; for he has much less frequently petitioned for a reduction of rent—an advantage which landlords may be expected not to overlook. He enjoys, too, a monopoly of the superior efficiency of interested labour, and as the personal efficiency of the labourer—his skill, his knowledge, his watchfulness, his care—are becoming not less, but more important with the growth of scientific farming, whether in corn raising or cattle rearing, the small farm system will probably continue to hold, if not to enlarge, its place in modern agriculture; and if it is able to do so, it will constitute one of the best buttresses against the social revolution.

It remains to mark the spread of socialism in the various countries of Europe and America, and to describe its present position; but this I shall reserve for next chapter.

CHAPTER II.

THE PROGRESS AND PRESENT POSITION OF SOCIALISM.

Socialism being now revolutionary social democracy, we should expect to find it most widely and most acutely developed in those countries where, 1st, the social condition of the lower classes is most precarious, or, in other words, where property and comfort are ill distributed; 2nd, where political democracy is already a matter of popular agitation; and, 3rd, where previous revolutions have left behind them an unquiet and revolutionary spirit—a "valetudinary habit," as Burke calls it, "of making the extreme medicine of the State its daily bread." That is very much what we do find. All these conditions are present in Germany—the country in which socialism has made the most remarkable and rapid advance. Dr. Engel, head of the Statistical Bureau of Prussia, states that in 1875 six million persons, representing, with their families, more than half the population of that State, had an income less than £21 a year each; and only 140,000 persons had incomes above £150. The number of landed proprietors is indeed comparatively large. In 1861 there were more than two millions of them out of a population of 23,000,000; and in a country where half the people are engaged in agriculture this would, at first sight, seem to offer some assurance of general comfort. But then the estates of most of them are much too small to keep them in regular employment or to furnish them with adequate maintenance. More than a million hold estates of less than three acres each, and averaging little over an acre, and the soil is poor. The consequence is that the small proprietor is almost always over head and ears in debt. His property can hardly be called his own, and he pays to the usurer a much larger sum annually as interest than he could rent the same land for in the open market.

More than half of these small estates lie in the Rhine provinces alone, and the distressed condition of the peasantry there has been lately brought again before the attention of the legislature. But while thus in the west the agricultural population suffers seriously from the excessive subdivision of landed property, they are straitened in the eastern and northern provinces by their exclusion from it. Prince Bismarck, speaking of the spread of socialism in a purely agricultural district like Lauenburg, which had excited surprise, said that this would not seem remarkable to any one who reflected that, from the land legislation in that part of the country, the labourers could never hope to acquire the smallest spot of ground as their own possession, and were kept in a state of dependence on the gentry and the peasant proprietors. Half the land of Prussia is held by 31,000 persons; and emigration, which used to come chiefly from the eastern provinces, where subdivision had produced a large class of indigent proprietors, proceeds now predominantly from the quarters where large estates abound. The diminution of emigration from the Rhine provinces is indeed one cause of the increase of distress among the peasant proprietary; but why emigration has ceased, when there seems more motive for it, is not so clear. As yet, however, socialism has taken comparatively slight hold of the rural population of Germany, because they are too scattered in most parts to combine; but there exists in that country, as in others, a general conviction that the condition of the agricultural labourers is really a graver social question than the condition of the other industrial classes, and must be faced in most countries before long. Socialism has naturally made most way among the factory operatives of Germany, who enjoy greatest facilities for combination and mutual fermentation, and who besides, while better off in respect to wages than various other sections of workpeople, are yet the most improvident and discontented class in the community. Then, in considering the circumstances of the labouring classes in Germany, it must be remembered that, through customs and indirect taxation of different kinds, they pay a larger share of the public burdens than they do in some countries, and that the obligation of

military service is felt to be so great a hardship that more than a third of the extensive emigration which now takes place every year from the German Empire is prompted by a desire to escape it. Before the establishment of the Empire, only about a tenth part of the emigrants left the country without an official permit; but the proportion has been rising every year since then, and sometimes comes to nearly a half.

Under these circumstances neither the strength nor the progress of the Social Democratic party in that country affords occasion for surprise. At the last general election, in February, 1890, this party polled more votes than any other single party in the Empire, and returned to the Imperial Diet a body of representatives strong enough, by skilful alliances, to exercise an effective influence on the course of affairs. The advance of the party may be seen in the increase of the socialist vote at the successive elections since the creation of the Empire.

In 1871 it was	...	...	...	...	...	101,927.
„ 1874 „	...	...	...	...	...	351,670.
„ 1877 „	...	...	...	...	...	493,447.
„ 1878 „	...	...	...	...	...	437,438.
„ 1881 „	...	...	...	...	...	311,961.
„ 1884 „	...	...	...	...	...	549,000.
„ 1887 „	...	...	...	...	...	774,128.
„ 1890 „	...	...	...	...	...	1,427,000.

The effect of the coercive laws of 1878, as shown by these figures, is very noteworthy. In consequence of the successive attempts made in that year on the life of the Emperor William by two socialists, Hoedel and Nobiling, Prince Bismarck determined to stamp out the whole agitation with which the two criminals were connected by obtaining from the Diet exceptional and temporary powers of repression. The first effect of these measures was, as was natural, to disorganize the socialist party for the time. Hundreds of its leaders were expelled from the country; hundreds were thrown into prison or placed under police restriction; its clubs and newspapers were suppressed; it was not allowed to hold meetings, to make speeches, or to circulate literature of any kind. In the course of the twelve years during which this exceptional legislation has subsisted, it was stated at the recent Socialist Congress at Halle,

that 155 socialist journals and 1200 books or pamphlets had been prohibited; 900 members of the party had been banished without trial; 1500 had been apprehended and 300 punished for contraventions of the Anti-Socialist Laws. These measures paralyzed the old organization sufficiently to reduce the Socialist vote at the next election in 1881 by thirty per cent.; but the party presently recovered its ground. It adapted itself to the new conditions, and established a secret propaganda which was manifestly quite as effective for its purposes as the old, and charged with more danger to the State. Its vote increased immensely at each successive election thereafter; and now, as Rodbertus prophesied, the social question has really proved "the Russian campaign of Bismarck's fame," for his policy of repression has ended in tripling the strength of the party it was designed to crush, and placing it in possession of one-fifth of the whole voting power of the nation. It was high time, therefore, to abandon so ineffectual a policy, and the socialist coercive laws expired on the 30th September, 1890, and the socialists inaugurated a new epoch of open and constitutional agitation by a general congress at Halle in the beginning of October.

The strength of the party in Parliament has never corresponded with its strength at the polls. In 1871 it returned only 1 member to the Diet; in 1874, 9; in 1877, 12; in 1878, 9; in 1881, 12; in 1884, 24; in 1887, 11; and in 1890, with an electoral vote which, under a system of proportional representation, would have secured for it 80 members, it has carried only 37. The party has no leaders now, in Parliament or out of it, of the intellectual rank of Lassalle or Marx; but it is very efficiently led. Its two chiefs, Liebknecht and Bebel, are well skilled both in debate and in management, and have for many years maintained their authority in a party peculiarly subject to jealousy and intrigue, and have consolidated its organization under very adverse conditions. Liebknecht, who is a journalist of most respectable talents, character, and acquirements, is now the veteran of the movement, having been out in the '48 and passed twelve years of political exile in London in constant intercourse with Karl Marx. Bebel, a turner in Leipzig, is a much younger man, and, indeed, is one of Liebknecht's con-

verts, for he opposed the movement when it was first started in Leipzig by Lassalle; but he has fought so long and so stout a battle for his cause that he too seems now one of its veterans. The other parliamentary leaders of the party are for the most part still under thirty. Von Volmar, a military officer who has left the service for agitation and journalism, seems to be the older leaders' chief lieutenant; and Frohme, a young *littérateur* of repute, may be mentioned because he heads a tendency to more moderate policy.

Owing to the paucity of its representatives, the party has hitherto made little attempt to initiate legislation. No bill can be introduced into the German Diet unless it is backed by fifteen members; and, except in the Parliament of 1884–7, the Socialist party never had fifteen members until last February. The work of its parliamentary representatives, therefore, has consisted mainly of criticism and opposition, and seizing every suitable occasion for the ventilation of their general ideas; but after the election of 1884, when they returned to the Diet twenty-four strong, they introduced first a bill for the prohibition of Sunday labour, which was stoutly opposed by Prince Bismarck, and defeated; and second, a Labourer's Protection Bill, proposing to create an elaborate organization for securing the general wellbeing of the working class. It was to create, first, a new Labour Department of State; second, a series of Workmen's Chambers, one for every district of 200,000 or 400,000 inhabitants, with the necessary number of local auxiliaries; third, Local Courts of Conciliation for the settlement of differences between labourers and employers, from whose decision there should be an appeal to the Workmen's Chamber of the District. Both the Court of Conciliation and the Workmen's Chamber were to be composed of an equal number of employers and employed. The connection between the Workmen's Chambers of the District and the Minister of Labour would be through District Councils of Labour, the members of which were to be chosen by the minister out of a list presented by the Workmen's Chamber of the District, and containing twice the number of names required to fill the places. It was to be the duty of these Councils of Labour to send a report every year to the Labour Department in Berlin on

the condition of labour in their respective districts after an annual inspection of all the factories, workshops, and industrial establishments of any kind located there. The Workmen's Chambers were to have a wide *rôle*, and were the keystone of the system. Besides being the courts of final appeal in labour disputes, they were to bring to the knowledge of the competent authorities the existence of any disorders or grievances that occurred in industrial life; to give advice on the best laws and regulations for industry; to undertake inquiries into all matters affecting the conditions of labour, treaties of commerce, taxes, rates of wages, technical education, housing, prices of subsistence, etc.

In introducing the bill, its promoters said a chief object of the whole organization was to obtain for working men higher wages for a shorter day's work, and they proposed the immediate reduction of the day of labour to eight hours for miners and ten hours for all other trades, together with some further limitations on the work of women and children, the abolition of prison work at ordinary trades, and of Sunday work, and the requirement of the payment of wages weekly, and their payment in money. The bill was referred to a committee of the House, and rejected, after that committee brought up an unfavourable report in February, 1886, and nothing further has been done in the matter since; but the Minister of the Interior was so much struck with the unexpectedly moderate and practical character of its proposals that he said if these proposals expressed the whole mind of the members who proposed them, then those members might as well sit on the right side of the House as on the left. The effect of the bill, as far as it was workable, would merely be to give the working class a real and systematic, but not unequal, voice in settling the conditions of their own labour; and its rejection is to some extent an example of the way the socialist agitation impedes the cause of labour by creating in the public mind an unnecessary distrust even of reasonable reforms.

There are some questions of general policy on which the socialist deputies take up a position of their own. They always oppose the military budget, because, like socialists everywhere, they are opposed to all war and armaments. Wars are merely quarrels of rulers, for peoples would make for

peace, and armaments only drain the people's pockets in order to perpetuate the people's oppression. Then they are opposed to national debts, because national debts enable rulers to carry on war. They are opposed to the new colonization policy of the Empire, because in their opinion it is a policy of aggrandisement and conquest undertaken under hypocritical pretences. They are opposed to protective duties, because they dislike indirect taxation, as bearing always unjustly on the labouring class. They are strong supporters of popular education, but they opposed the new insurance laws because they feared these laws would place people too much under the power of the Government, for their jealousy of the Government that exists corrects their general partiality for Government control, and tends to keep them back even from some of the minor excesses of State-socialism.

The moderate and apparently temporizing policy of the deputies is a constant source of dissatisfaction to the wilder and more inexperienced members of the party, who complain, as they did at the recent Halle Congress, that trying to improve the present system of things is not the best way of subverting it, and who will either have socialism *cum* revolution, or they will have nothing at all. But the older heads merely smile, and tell them the hour for socialism and revolution is not yet, that no man knows when it shall be, and that in the meantime it would be mere folly for socialists to refuse the real comforts they can get because they think they have ideally a right to a great deal more. "Why," said Bebel, when he was charged at Halle with countenancing armaments in violation of socialist principles by voting for a better uniform to the soldiers,—"why, there are numbers of Social Democrats in the Reserve, and was I to let them die through inadequate clothing merely because I object to armaments as a general principle?"

They of course think of this policy of accommodation as only a temporary necessity, till they become strong enough to be thoroughgoing; but there is perhaps better reason to believe it to be an abiding and growing necessity of their position, for they are finding themselves more and more obliged, if they are to become stronger at all, or even to keep the strength they have, to bid for the support of aggrieved classes by work-

ing for the immediate removal of their grievances, and thus to keep on reducing day by day as it rises the volume of that social discontent which is to turn the wheel of revolution. It is not unlikely that the socialist party, now that it is sufficiently powerful to do something in the legislature, but not sufficiently powerful to think of final social transformation, will occupy themselves much more completely with those miscellaneous social reforms in the immediate future; that they will thereby become every day better acquainted with the real conditions on which social improvement depends; that they will find more and more satisfying employment in the exercise of their power of securing palpable, practical benefits, than in agitating uncertain theoretical schemes; and, in short, that they will settle permanently into what they are for the present to some extent temporarily, a moderate labour party, working for the real remedy of real grievances by the means best adapted, under real conditions, national or political, for effecting the purpose.

The programme of the party, which was adopted at the Gotha Congress of 1875, after the union of the Marxist socialists and the Lassalleans, and has remained unaltered ever since, has always consisted of a deferred part and an actual. It contains, in fact, three programmes—the programme for to-day, the programme for to-morrow, and the programme for the day after to-morrow. The last is of course the socialist State of the future, at present beyond our horizon altogether. Before it appears there is to be a more or less prolonged period in which individual management of industry is to be gradually superseded by co-operative societies founded on State credit; but this intermediate state was only made an article of the programme to conciliate the Lassalleans, and one hears less of productive associations to-day from the German socialists than from the French. The Germans would apparently prefer to go from private property to public property direct rather than go *viâ* corporate property; but in any case their programme leaves the creation of productive societies to a future period, and their task for the present is to secure for working men factory and sanitary legislation, constitutional liberties, and an easier and more equitable system of taxation.

The programme is as follows:—

"I. Labour is the source of all wealth and civilization, and since productive labour as a whole is made possible only in and through society, the entire produce of labour belongs to society, that is, it belongs by an equal right to all its members, each according to his reasonable needs, upon condition of a universal obligation to labour.

"In existing society the instruments of labour are the monopoly of the capitalist class; the dependence of the labouring class which results therefrom is the cause of misery and servitude in all forms.

"The emancipation of labour requires the conversion of the instruments of labour into the common property of society, and the management of labour by association, and the application of the product with a view to the general good and an equitable distribution.

"The emancipation of labour must be the work of the labouring class, in relation to which all other classes are only a reactionary mass.

"II. Starting from these principles, the Socialistic Labour Party of Germany seeks by all lawful means to establish a free State and a socialistic society, to break asunder the iron law of wages by the abolition of the system of wage-labour, the suppression of every form of exploitation, and the correction of all political and social inequality.

"The Socialistic Labour Party of Germany, although at first working within national limits, is sensible of the international character of the labour movement, and resolved to fulfil all the duties thereby laid on working men, in order to realize the brotherhood of all men.

"The Socialistic Labour Party of Germany demands, in order to pave the way for the solution of the social question, the establishment by State help of socialistic productive associations under the democratic control of the workpeople. Productive associations for industry and agriculture should be created to such an extent that the socialistic organization of all labour may arise out of them.

"The Socialistic Labour Party of Germany demands, as the basis of the State, (1) Universal, equal, and direct suffrage,

together with secret and obligatory voting, for all citizens over twenty years of age, in all elections in State and commune. The election day must be a Sunday or holiday. (2) Direct legislation by the people. Decision on peace or war by the people. (3) Universal liability to military service. Militia instead of standing army. (4) Abolition of all exceptional laws, especially laws interfering with liberty of the press, of association, and of meeting; in general, all laws restricting free expression of opinion, free thought, and free inquiry. (5) Administration of justice by the people. Gratuitous justice. (6) Universal, compulsory, gratuitous, and equal education of the people by the State. Religion to be declared a private affair.

"The Socialistic Labour Party of Germany demands within the conditions of existing society (1) The utmost possible extension of political rights and liberties in the sense of the above demands. (2) The replacement of all existing taxes, and especially of indirect taxes, which peculiarly burden the people, by a single progressive income tax for State and commune. (3) Unrestricted right of combination. (4) A normal working day corresponding to the needs of society. Prohibition of Sunday labour. (5) Prohibition of the labour of children, and of all labour for women that is injurious to health and morality. (6) Laws for protection of the life and health of workmen. Sanitary control of workmen's dwellings. Inspection of mines, factories, workshops, and home industry by officers chosen by working men. An effective employers' liability act. (7) Regulation of prison labour. (8) Entire freedom of management for all funds for the assistance and support of working men."

A committee was appointed at the recent Halle Congress to revise this programme and report to the Congress of 1891; but as the revision is merely intended to place the programme in greater conformity with the needs of the time, and keep it as it were up to date, only minor modifications may be expected, and those probably in the direction of a more practical and effectual dealing with existing grievances. Five years ago the party thought a ten hours' day corresponded with the needs of the time; they now ask for an eight hours' one. Instead of

the prohibition of Sunday labour, they now prefer to demand, as a more workable equivalent, a period of thirty-six hours' continuous and uninterrupted rest every week, irrespective of any particular day; and they have sometimes taken up new working-class questions not especially mentioned in their programme, or included directly under any of its heads, like the abolition of payment of wages in kind. The whole spirit of the late Congress leads us to look for the contemplated modifications in this direction of meeting more effectually immediate working-class wants.

Many eyes were upon that Congress; for it was the first the German socialists had held since they had recovered their freedom and proved their strength. They were now clearly stronger than any socialist party the world had yet seen, and much stronger than most revolutionary parties who have made successful revolution. Would then the word now be revolution? people asked. It was not: the word was caution. The first effect of the victory in February had been otherwise, and in June, Herr Bebel was still calling, Steady. "The majority of his party colleagues," he said at a public meeting in Berlin on the 20th of that month, "had been intoxicated by the result of the elections of February 20th, and believed they could do what they liked with the middle class, as it was already on the point of going under." But before October steadier counsels prevailed, and the spirit of the Congress was moderation itself. Although the Congress did not agree to the motion to restore to the party programme the phrase "by lawful means," which had been deleted from the opening paragraph of the second part of it by the Wyden Congress of 1880, in consequence of the Anti-Socialist Laws no longer giving them any choice except recourse to unlawful means, the general and decided feeling of the Congress certainly was that only lawful means could now answer their purposes. The controversy was repeatedly raised by an extreme section of the party from Berlin, who complained that the work of their parliamentary representatives had hitherto entirely ignored the real aims of social democracy, and that a return should now be made to its socialism and its revolution. But the voice of the meeting was invariably against this Berlin movement. There was a time, said M.

Fleischman—and his speech was applauded—when it was counted the right thing in the party to make revolutionary speeches, and point to the coming day of account when mankind were to be emancipated at one blow; but that was not a road they could make any progress by. And as for boycotting, which had been spoken of, he declared he was all for boycotting; but it was the boycotting of the military in such a way as to give them no occasion for the use of their weapons. Liebknecht, the chief leader of the party, followed, and was quite as emphatic in the same line. People spoke of revolution, he said; but they should remember that roast pigeons don't fly into one's mouth by themselves. It was easy enough to make bitter speeches, and any fool and donkey could throw bombs; but the misadventures of the anarchists showed plainly enough that nothing could be done in that way. The socialists had now 20 per cent. of the population; but what could 20 per cent. do against 80 per cent. by the use of force? No, it was not force; it was reason they must use if they would succeed. What, then, he asked, was the Social Democracy to do? They must avoid divisions among themselves, and go out and convert the still indifferent masses. The electoral suffrage was their best weapon of agitation, and their surest means of increasing the party. Prince Bismarck had been represented in a popular book as practising peasant-fishery and elector-fishery. "Peasant-fishery and elector-fishery—" said Liebknecht, amid much applause, "that is the word for the Social Democrats to-day."

Another suggestion of the extreme section was that the party should now assail the Church and religion, as socialist and revolutionary parties have so generally done; but this bit of their old traditional policy received scant regard from the Halle Congress. A strong feeling was expressed that the party had damaged itself in the past by its assaults on the Church, and that its present policy ought, in self-preservation, to be one of religious neutrality and toleration. "Instead," said Liebknecht, "of squandering our strength in a struggle with the Church and sacerdotalism, let us go to the root of the matter. We desire to overthrow the State of the classes. When we have done that, the Church and sacer-

dotalism will fall with it, and in this respect we are much more radical and much more definite in purpose than our opponents, for we like neither the priests nor the anti-priests." The old revolutionary policy of stirring up hatred against all existing institutions is thus relegated from the present to the distant future, after the present class-State is overthrown and the working-class or socialist State established in its place.

"Well, then," suggested another old-world socialist, "let us, at any rate, issue a pamphlet describing the glories of this socialist State, and get the people prepared to flock into it"; but this suggestion was also frowned down. "For," said Liebknecht, "who could say what the *Zukunft Staat*—the socialist State of the future—is to be? Who could foresee so much as the development of the existing German State for a single year?" In other words—I think I am not misinterepreting their meaning—the State of the future is the concern of the future; the business of a living party is within the needs and within the lines of the living present.

What, then, is to be the business of this formidable Social Democratic party? Peasant-catching is the word. The elections showed that while the party was very strong in the large towns, it was very weak in the rural districts, and among special populations like the Poles and Alsatians; and although previous revolutionists thought everything was gained if the large towns were gained, the Social Democrats generally admit that the social revolution is impossible without the adherence of the peasantry. The peasants, therefore, must be won over to the party. Once in the party, they may learn socialism and revolution, but they must first be brought in, and for that purpose there must be started a special peasants' cry—a cry, that is, for the redress of some immediate grievance of that class; and one suggestion made at the Congress was, that the cry for the peasantry should be the abolition of the German *Gesinde* (farm-servant) system. In the same spirit the Congress recommended the parliamentary party to take up the question of seamen's rights, and agitate for better regulations for securing the wellbeing of that class. The advance towards practicality is even more evident in their determination upon strikes. Hitherto, for the most part,

socialists have either looked on strikes with lofty disdain as poor attempts to get a petty rise in wages instead of abolishing the present wages system altogether, or they have thrown themselves into strikes for the mere purpose of fomenting labour troubles, and breaking perchance the power of the large capitalist class; and this latter view was not unrepresented at the Halle Congress. The resolution of the Congress, however, declared (1st) that strikes and boycotting were often useful means of improving the social position of the labouring class; but (2nd) that they were to be resorted to even for that purpose with great circumspection. "Whereas, however, strikes and boycotting are double-edged weapons which, when used in unsuitable places and at an inopportune moment, are calculated to do more harm than good to the interests of the working class, this Congress recommends German working men carefully to weigh the circumstances under which they purpose to make use of those weapons." The revolutionary ideal seems thus to be retreating—perhaps insensibly—in the socialistic mind into an eschatological decoration, into a kind of future Advent which is to come and to be believed in; but the practical concerns of the present must be more and more treated in their own practical way.

Since the Congress, the party has issued a manifesto to the peasantry, in which, after promising a new and happy day that is coming for them, which is to restore to them the beautiful earth and the poetry of life, they declare against the patriarchal system, and the increase of brandy distilling; and then, confessing that few socialists know anything about agricultural questions, invite information and discussion for the enlightenment of the party. Here again they forget that they have a theory which is as applicable to agriculture as to manufactures, and they want to make practical investigations with a view to practical solutions.

Of course the movement will always generate revolutionary elements as occasions arise, and these sometimes of the wildest character. Most and Hasselman, and their following, who were expelled at the Congress of Wyden in 1880, were anarchists of a violent type, and Mosts and Hasselmans may arise again. But at present anarchism hardly exists in Germany, and the

Social Democratic party is peacefully trying to make people as comfortable as possible till the fulness of time arrives.

It may be added that the present income of the party, as stated at the last Congress, is £19,525, and that since February, 1890, they have established nineteen daily newspapers and forty weekly, with a total circulation of 254,000.

The socialist movement in other countries may be disposed of much more briefly, for in no other country has it worn anything like the same importance, except in Russia, and of the Russian agitation I shall treat more fully in a subsequent chapter on "Russian Nihilism." I may observe here, however, that the Russian agitation has not been without its influence on the nations of Western Europe. It was Bakunin who first kindled the socialist movements of Spain, Italy, Belgium, and Holland, and the anarchist fermentations of the last six years have been due in no inconsiderable measure to the new leaven of Russian ideas introduced by men like Prince Krapotkin and the two hundred other Russian refugees that are scattered abroad in the free countries of Europe.

In France there is much animated socialist agitation, but no solid and coherent socialist party such as exists in Germany. The movement is disunited and fragmentary, and confined almost entirely to the large towns, where many circumstances conspire to favour its growth. The French working class are born to revolutionary traditions. The better portion of them, moreover, though they long since gave up all belief in the old native forms of socialism, never ceased to be imbued with socialist ideas and aspirations; and M. de Molinari said in 1869, from his experience of French working men's clubs, that out of every ten French working men who had any interest beyond eating and drinking, nine were Socialists. Then there is in France a larger proportion of the working class than in most countries, who are kept in constant poverty and discontent and commotion by their own improvident habits. A pamphlet called "Le Sublime," which attracted considerable attention some years ago, stated that only forty per cent. of the working men of Paris were out of debt; and Mr. Malet reported to the English Foreign Office that they were, as a body, so dissipated that none of them had grandchildren or

grandfathers. But, on the other hand, France enjoys a solid security against the successful advance of socialism in her peasant proprietors. Half the French population belong to that class, and their industry, thrift, and comfort have long been held up to our admiration by economists. According to M. de Lavergne, they are not so well fed, so well clad, or so well lodged as the farm labourers of England; but, living in a different climate, they have fewer wants, and are undoubtedly more contented. Among people like these, passing their days in frugal comfort and fruitful industry, and looking with quiet hope and confidence to the future, socialism finds, of course, no open door. On the contrary, every man of them feels he has something to lose and nothing to gain by social revolution; the fear of socialism is, indeed, one of the chief influences guiding their political action; and as they are as numerous as all the other classes in the community put together, their worldly contentment is a bulwark of enormous value to the existing order of things. The impression of their substantial independence is so marked that even the Frenchmen who were members of the International Working Men's Association would not assent to the abolition of a peasant proprietary, but always insisted, contrary to the principles of the Association, on the continued maintenance of that system as a necessary counterpoise to the power of the Government.

The present socialist groups and sects of France are all believers in the so-called scientific socialism of Marx and Lassalle, and the most important of them work for a programme substantially identical with that of Gotha. Marx's ideas were introduced among the French by the International, and they were adopted by a section of the Revolutionary Committee of the Paris Commune, 1871; but after the suppression of the Commune, they made so little stir for some years that Thiers declared, in his last manifesto as President of the Republic, that socialism, which was then busy in Germany, was absolutely dead in France. Its recrudescence was chiefly due to the activity of the Communards. Some of them had escaped to London, where they got into closer communion with Marx and his friends; and in 1874, thirty-four of these refugees, all military or administrative officers of the Commune, and

most of them not professed socialists before, issued a manifesto pronouncing entirely for socialism, and describing the Commune as "the militant form of the social revolution"; but it was not till after the amnesty of the Communards, and their return from New Caledonia and elsewhere in 1880, that the first sensible ripple of socialist agitation was felt in France since the downfall of the second Republic. Numbers of socialist journals began to appear, and a general congress of working men, held at Havre in 1880, adopted a programme modelled on the lines of that of the German Social Democrats, and made preparations for an active propaganda and organization.

The adoption of the socialistic programme, however, rent the Congress in three, and the two opposite wings, the Co-operationists and the Anarchists, withdrew and established separate organizations of their own. The co-operationists, believing that the amelioration of the working class would only come by the gradual execution of practicable and suitable measures, and that these could only be successfully carried by means of skilful alliances with existing political parties, declared the Havre programme to be a programme for the year 2000, and that the true policy of the working class now was a policy of possibilities. This last word is said to supply the origin of the term Possibilist, which has now come to be applied not to this co-operationist party, but to one of the two divisions into which the third or centre party of the Havre Congress—the socialists—shortly afterwards split up.

The co-operationists formed themselves into a body known as the Republican Socialist Alliance, which, as the name indicates, aims at social reforms under the existing republican form of State. They have held several congresses, their membership includes many well-known and even eminent Radical politicians—M. Clemenceau, for example—and they were supported by leading Radical journals, like *Le Justice* and *L'Intransigeant;* but their activity and their numbers have both dwindled away, probably because their work was done sufficiently well already by other political or working-class organizations.

The anarchists set up not a single organization, but a number of little independent clubs, which agree with one

another mainly in their dislike of all constituted authority. They want to have all things in common, somehow or other; but for master or superior of any sort they will have none, be it king or committee. Their ideas find ready favour in France, because they are near allied with the theory of the Revolutionary Commune cherished among the Communards; and although there is no means of calculating their numbers exactly, they are believed to be pretty strong—at least, in the South of France. At the time of the Lyons Anarchist trial, at which Prince Krapotkin was convicted, they claimed themselves to have 8,000 adherents in Lyons alone. In 1886 the authorities knew of twenty little anarchist clubs in Paris, which had between them, however, only a membership of 1,500; and of these a considerable proportion were foreign immigrants, especially Austrians and Russians, with a few Spaniards. Some of these clubs are mainly convivial, with a dash of treason for pungency; but others have an almost devouring passion for "deeds," and are ever concerting some new method of waging their strange guerilla against "princes, proprietors, and parsons." When a new method is discovered, a new club is sometimes formed to carry it out. For instance, the *Anti-propriétaires*, which is said to be one of the best organized of the anarchist clubs, bind their members (1) to pay no house-rent,—rent, of course, being theft, and theft being really restitution; and (2) if the landlord at length resorts to law against any of them for this default, to come to their brother's help and remove his furniture to safer quarters before the moment of execution. The group *La Panthère*, to which Louise Michel belongs, and which has 500 members, and the group *Experimental Chemie*, as their names indicate, prefer less jocular methods. The best known of the anarchists are old Communards like Louise Michel herself and Élisée Reclus, the geographer.

The third section of the Havre Congress contained the majority of the 119 delegates, and they formed themselves into the Socialist Revolutionary Party of France, with the programme already mentioned, which was carried on the motion of M. Jules Guesde.

This programme sets out with the declaration that all

instruments of production must be transferred to the possession of the community, and that this can only result from an act of revolution on the part of the working class organized as an independent political party, and then it goes on to say that one of the best means of promoting this end at present was to take part in the elections with the following platform :—

A. *Political.*

1. Abolition of all laws restricting freedom of the press, of association, or of meeting, and particularly the law against the International Working Men's Association. Abolition of "work-books."

2. Abolition of the budget of public worship, and secularization of ecclesiastical property.

3. Abolition of national debt.

4. Universal military service on the part of the people.

5. Communal independence in police and local affairs.

B. *Economic.*

1. One day of rest in the week under legal regulation. Limitation of working day to eight hours for adults. Prohibition of the labour of children under fourteen, and limitation of work hours to six for young persons between fourteen and sixteen.

2. Legal fixing of minimum wages every year in accordance with the price of provisions.

3. Equality of wages of male and female labour.

4. Scientific and technical training for all children, as well as their support at the expense of society as represented by the State and the Communes.

5. Support of the aged and infirm by society.

6. Prohibition of all interference on the part of employers with the management of the relief and sustentation funds of the working classes, to whom the sole control of these funds should be left.

7. Employers' liability guaranteed by deposit by employers proportioned to number of workmen.

8. Participation of the workmen in drawing up factory regulations. Abolition of employer's claim to punish the

labourer by fines and stoppages (according to resolution of the Commune of 27th April, 1871).

9. Revision of all agreements by which public property has been alienated (banks, railways, mines, etc.). The management of all State factories to be committed to the workmen employed in them.

10. Abolition of all indirect taxes, and change of all direct ones into a progressive income tax on all incomes above 3,000 francs.

11. Abolition of the right of inheritance, except in the line of direct descent, and of the latter in the case of fortunes above 20,000 francs.

At the congress of the party held at St. Etienne two years after this programme was adopted, M. Brousse, a medical practitioner in Paris, and a member of the Town Council, who had already shown signs of disputing the leadership of M. Guesde, carried by a vote of thirty-six to twenty-seven a motion for introducing some modifications, and the minority seceded and set up a separate organization. In spite of repeated efforts at reconciliation, the two sections of the French socialists have never united again or been able even to work together temporarily at an election. Besides personal jealousies, there are most important differences of tendency keeping them apart. The Guesdists accept the policy of Karl Marx as well as his economic doctrine: the universal revolution, and the centralized socialist State, as well as the theory of surplus value and the right to the full product of labour. The Broussists, on the other hand, believe in decentralization, and would prefer municipalizing industries to nationalizing them. They are for giving the commune control of its own police, its own soldiers, its own civil administration, its own judiciary; and they think the *régime* of collective property can be best brought in and best carried on by local bodies. They would have the towns take over their own gas, light, and water supply, their omnibus and tramway traffic; but they would have them take over also many of the common industries which never tend towards monopoly or even call for any special control. They would municipalize, for example, the bakehouses and the mealshops and the granaries, apparently

as supplying the necessaries of life, and they would have various other branches of industry undertaken by the towns to a certain limited extent, in order to provide suitable work for the unemployed. Then in 1887 they added a fresh plank to their platform, and asked for the establishment by municipalities, on public money or credit, of productive associations to be owned—not, like the other undertakings, by the municipality, but—by the working men employed in them. This is a reappearance of the old policy of Lassalle, with the difference that the productive associations are to be founded on municipal and not on State credit; and the reappearance is not surprising in France, because co-operative production has, on the whole, been more successful in that country than in any other. Then another of their demands is, that all public contracts should be subjected to such conditions as to wages and hours of labour as the workmen's syndicates approve; and in Paris they have already succeeded in obtaining this concession from the Town Council so far as municipal contracts are concerned. These workmen's syndicates are trade unions, which aim only at bettering the position of their members without theoretical prepossessions, but are quite as bold in their demands on the public powers as the socialists, and apparently more successful. In 1885 their claims included, not only an eight hours' day and a normal rate of fair wages, but the fixing of all salaries under 500 francs, a credit to themselves of 500,000,000 francs, and the gratuitous use of empty houses by their members; and in 1886 they obtained from the Town Council of Paris a furnished room, with free lighting and firing, and a subvention of 20,000 francs, for the establishment of a Labour Bureau, to be a centre for all working-class deliberations and intelligence, and a registry for the unemployed.

The socialism of the Broussists is thus practically a municipal socialism: municipal industries, municipal credit for working men's productive associations, municipal concessions to trade unions; but all this seems to the Guesdists to be mere tinkering, to be no better than the possibilities of the Republican Socialist Alliance, and they have for that reason given their rivals the name of Possibilists, which for distinction's sake they still commonly bear. Neither section had any

representative in the Chamber of Deputies till 1889, when the Broussists succeeded in returning M. Joffrin; but the Broussists have nine in the Town Council of Paris. The Guesdists have more men of culture among them; Guesde himself and Lafargue, Karl Marx's son-in-law, are both men of ability and public position; but they have a smaller following, and what they have is on the decline. Their sympathy with the principles of German Socialism, their alliance with the German Socialist party is against them, for the French working men have a very honest hatred of the Germans, both from recollections of the war and from the pressure of German industrial competition; and the feeling seems to be returned by the Germans, for it appeared even among the socialists at the recent congress at Halle, international and non-patriotic as socialists often claim to be. One of the personal accusations that disturbed the sittings of that congress was, that the leaders of the party had been discovered in secret conference with the delegates of the French socialists, MM. Guesde and Ferroul, who had been sent to greet their German comrades.

The Possibilists have no very eminent members, the most leading persons among them being Brousse himself and MM. Allemane and Joffrin. But they are not inconsiderable in number, and they are growing. They have 400 Circles of Social Studies all over the country, organized into six regions, each with its regular regional congress, and all working under a national executive committee and a general national congress, meeting once a year. The future of French socialism seems to be with the Possibilists rather than the Guesdists; and the future of the Possibilists, like the future of the German socialists, seems to lie in the direction of releasing their limbs from the dead clothes of socialist theory, in order to take freer and more practical action for the positive wellbeing of the working class. At the recent congress of the Possibilists at Châtellèrault in October, 1890, the chief questions discussed were the reform the system of poor relief and the eight hours' day. They want an international eight hours' day, but they would be willing to allow other four hours' overtime, to be paid for by double wages.

In 1885 the two divisions of socialists combined for elec-

tioneering purposes with one another and with a third revolutionary body called the Blanquists, and they actually formed together an organization known as the Revolutionary Union; but the three parties quarrelled again before the election, and the union was dissolved. The Blanquists are disciples of the veteran conspirator Blanqui, and include some well-known men, such as General Eudes, and MM. Vaillant and Roche. They are revolutionists pure and simple, and in some respects stand near the anarchists; only, being old birds, they move about more cautiously, and indeed are sometimes for that reason—and because they act as intermediaries between other revolutionaries—called the "diplomatists of lawlessness." With all their love for revolution, however, they have more than the usual democratic aversion to war, and their chief work at present is in connection with the league they have founded against permanent armies.

Although revolutionary socialism is so ill represented in the French Legislature, there is a special parliamentary party, known as the Socialist Group, which was founded by nineteen deputies in 1887, and returned thirty candidates to the Chamber at the election of 1889. They are for communal autonomy; for the transformation of industrial monopolies into public services, to be directed by the respective companies under the control of the public administration; and for the progressive nationalization of property, so as to make the individual employment of it accessible to free labourers; and they have no lack of other planks in their platform: international federation and arbitration; abolition of standing armies; abolition of capital punishment; universal suffrage; minority representation; sexual equality; free education, primary, secondary, and technical; suppression of the budget of public worship; separation of Church and State; absolute liberty to think, speak, write, meet, associate, and contract; abolition of indirect taxes and customs, and introduction of a progressive income tax, and a progressive succession duty; public *crêches;* establishment of superannuation, sick and accident insurance at public expense. Among the deputies who signed the programme in 1887 were the two Boulangists, MM. Laisant and Laur, and MM. Clovis Hughes, Basley,

Bower, etc. The idea of the party seems to be what M. Laisant recommends in his "L'Anarchie Bourgeoise," published in the same year 1887, a Republican Socialist party, which, accepting the good works of socialism, without caring for its political or economic theory, shall do its best to abolish misery by any means open to it under the existing republican form of government. Republican socialism corresponds therefore to what is called State socialism in Germany—the abolition of poverty by means of the power of the present State; and the question between socialists and other reformers is narrowing in France, as elsewhere, into a question of the justice and the suitability of the individual measures proposed.

There is also a body of Christian Socialists in France, of whom, however, I shall have more to say in a subsequent chapter on the Christian Socialists.

Socialism crossed very early from Prussia into Austria and took quick root among the German-speaking population, but has never to this day made much way among any of the other nationalities in the Empire. The Magyars are, on the whole, fairly comfortable and contented in their worldly circumstances, and they have a strong national aversion to anything German, even a German utopia; so that they lent no ear to the socialist agitation till 1880, when a socialist congress of 119 delegates was held at Buda Pest and founded the Hungarian Labour Party. The agitation, however, has not assumed any important dimensions. The Poles of Austria, like the Poles of Russia and the Poles of Prussia, have all along been a source of much disappointment to socialist leaders, who expected they would leap into the arms of any revolutionary scheme, but find them too pre-occupied with their own nationalist cause to care for any other. The same observation applies to the Czechs. They are Czechs and Federalists first, and a social system under which they would cease to be Czechs and Federalists, and become mere atoms under a powerful centralized government, led possibly by Germans, is naturally not much to their fancy. But in the German-speaking part of the monarchy socialism has found a ready and general welcome, and has latterly grown most popular in the anarchist form. This development is due to

various causes. The federalist ideas prevalent in the country would be a bridge to the general principles of anarchism, while the coercive laws in force since 1870 would naturally provoke a recourse to revolutionary methods and an impatience with the sober and Fabian policy of the Austrian Social Democrats. The Social Democrats of Austria were advised from the first by Von Schweitzer and Liebknecht, the leaders of German socialism at the time, to adopt this temporizing policy, as being on the whole the best for the party in the circumstances existing in their country. They were advised to give a general support at the elections to the Liberal party, because nothing could be done for socialism in Austria till the priestly and feudal ascendancy was abolished, and that could only be done by strengthening the hands of the Liberals. They have continued to observe this moderate course. Unlike their German comrades, they looked with favourable eyes on the labour legislation introduced by Government for improving the condition of the working classes; and though they have suffered from coercive legislation much longer and sometimes quite as severely, they have never struck the qualification "by legal means" out of their principles, but, on the contrary, have declared, when they were permitted to hold a meeting—as for example at Brünn in 1884—that they adhered entirely and exclusively to peaceful methods, and repudiated the deeds of the anarchists. But then they are apparently not prospering in number, while the anarchists are. For one thing they have never had good leaders, and though they sometimes invite Liebknecht or one of the German socialist leaders to come and rouse them, Government has always refused liberty for such addresses to be delivered in Austria. The anarchists, on the other hand, had an energetic and eloquent leader in Peukert, a house-painter, who is now a chief personage in anarchist circles in London, and from here no doubt still carries on relations with his old friends; and their propaganda seems to be spreading, if we judge from the political trials, and from the fresh measures of repression directed against it in 1884, when Vienna was put under siege, and again in the latter part of 1888. They have nine or ten newspapers, and the socialists six or seven. Neither faction has any representative in Parliament.

Both parties direct their chief attention to the peasantry, especially where any germ of an agrarian movement happens already to prevail. The Galician agitation against great landlords in 1886 was fomented by anarchist emissaries, and we occasionally hear of anarchist operations among the people of Northern Bohemia or Styria as well as in Upper Austria, where rural discontent has long been more or less acute. Austria is mainly an agricultural country; but greater part of the land is held in very large estates by the clergy and nobility, and the evils of the old feudal *régime* are only now being gradually removed. There are, it is true, as many as 1,700,000 peasant proprietors in the Cisleithanian half of the Empire alone; but then their properties are seriously encumbered by the debt of their redemption from feudal servitudes and by the severity of the public taxation. The land tax amounts to 26 per cent. of the proprietor's income, and the indirect taxes on articles of consumption are numerous and burdensome. But three-fourths of the rural population are merely farm servants or day labourers, and are worse off even than the same class elsewhere. The social question in Austria is largely agrarian, but the spontaneous movements of the Austrian peasantry seem rather unlikely to run in harness with social democracy. Unions of free peasants for example have sprung up of recent years in various provinces. Their great aim is to procure a reduction in the taxes paid by the peasantry; but then they add to their programme the principle of State-help to labour, the abolition of all feudal privileges and all rights of birth, gratuitous education, and cessation of the policy of contracting national debt, and they speak vaguely about instituting a peasant State, and requiring every minister and responsible official to serve an apprenticeship to peasant labour as a qualification for office, in order that he may understand the necessities and capacities of the peasantry. This idea of the peasant State is analogous to the idea of the labour State of the Social Democrats; but of course this is agreement which is really conflict. It is like the harmony between Sforza and Charles VIII.: "I and my cousin Charles are wonderfully at one; we both seek the same thing—Milan." The class interest of the landed peasant is contrary to the

class interest of the working man, and would be invaded by social democracy. The peasantry are simply fighting for their own hand, and as their votes are courted by both political parties they will probably be able to secure some mitigation of their grievances. Distress is certainly serious among them when, as happened a few years ago, in a parish of 135 houses as many as 35 executions were made in one day for failure to pay taxes, and in another of 250 houses as many as 72; but on the whole there seems to be little of that hopeless indigence which appears among the peasant proprietary in countries where the practice of unrestricted or compulsory subdivision of holdings exists, or has recently existed, to any considerable extent.

There is an influential Catholic Socialist movement in Austria, led by the clergy and nobility, and dealing in an earnest spirit with the social question as it appears in that country.

Socialism was introduced into Italy in 1868 by Bakunin, who, in spite of the opposition of Mazzini, gained wide acceptance for his ideas wherever he went, and founded many branches of the International in the country, which survived the extinction of the parent society, and continued to bear its name. They were, like Bakunin himself, anarchist in their social and political views, and were marked by an especial violence in their attacks on Church and State and family. They published a great number of journals of various sorts, and kept up an incessant and very successful propaganda; but no heed was paid them by the authorities till 1878, when an attempt on the life of the king led to a thorough examination being instituted into the whole agitation. The dimensions and ramifications of the movement were found to be so much more extensive than any one in power had anticipated, that it was determined to set a close watch thereafter on all its operations, and its meetings and congresses were then from time to time proclaimed. But after the passing of the Franchise Act of 1882, a new socialist movement came into being which looked to constitutional methods alone. The franchise was not reduced very low: it only gave a vote to one person in every fourteen, while in England one in six has a vote; but the reduction was accompanied with *scrutin*

de liste and the ballot, and it was felt that something could now be done. Accordingly a new Socialist Labour Party was formed on the usual Marxist lines, under the leadership of a very capable man, an orator and a good organizer, Andrea Costa, who was formerly an anarchist. This party obtained 50,000 votes at the first subsequent election, and returned two candidates to the Legislature, one of them being Costa. In 1883 it formed a working alliance with the Italian Democratic Society—an active working-class body of which Costa was a leading member; and in 1884 it entered into an incorporating union with another working-class body, the Lombardy Labour Federation, which had a large number of local branches. With their help it had become, in 1886, an organization of 133 branches, and Government resolved to suppress it. Most of the branches in the north of Italy were dissolved, and their funds, flags, and libraries confiscated. But the party is still active over the country. They returned three members at the late election in November, 1890. The growth of this party was even more displeasing to the anarchists than to the Government, and in 1882 they called back Maletesta, one of their old leaders, from abroad, to conduct a regular campaign over the whole kingdom against Costa, and to denounce every man for a traitor to the socialist cause who should take any manner of part in parliamentary elections, or show the smallest sign of reconciliation to the existing order of things. His campaign ended in his arrest in May, 1883, and the condemnation of himself and 53 comrades to several years' imprisonment for inciting to disturbance of the public peace. Besides their contentions with the Socialist Labour Party, the Italian anarchists are much given to contending among themselves, and split up, even beyond other parties of the kind, upon trifles of doctrine or procedure. But however divided they may be, socialists and anarchists in Italy are all united in opposing the new social legislation of the Government. When the Employers' Liability Bill was introduced, Costa declared that legislation of that kind was utterly useless so long as the people were denied electoral rights, because till the franchise was reduced far enough to give the people a real voice in public affairs, there could be no security for

the loyal and faithful execution of the provisions of such an act.

The Italian socialists andanarchists have always had a lively brood of journals, which, however, are generally shorter lived than even socialist organs elsewhere; but when one dies for want of funds to-day, another comes out in its place to-morrow. This remarkable fertility in journals seems to be due to the large literary proletariat that exists in Italy—the unemployed educated class who could live by their pen if they only had a paper to use it in. Through their presence among the socialists new journals are pushed forward without sufficient funds to carry them on, and as the people are too poor to subscribe to them, and the party too poor to subsidize them, they soon come to a natural termination.

The development of socialism in Italy is no matter of surprise. Though there is no great industry in the country, the whole population seems a proletariat. There is a distressed nobility, a distressed peasantry, a distressed working class, a distressed body of university men. Mr. Gallenga says that for six months of the year Italy is a national workshop; everybody is out of employment, and has to get work from the State; and he states as the reason for this, that the employing class wants enterprise and ability, and are apt to look to the Government for any profitable undertakings. The Government, however, are no better financiers than the rest, and the state of the public finances is one of the chief evils of the country. Taxation is very heavy, and yet property and life are not secure. "The peasants," says M. de Laveleye, "are reduced to extreme misery by rent and taxation, both alike excessive. Wages are completely inadequate. Agricultural labourers live huddled in *bourgades*, and obtain only intermittent employment. There is thus a rural proletariat more wretched than the industrial. Excluded from property by *latifundia*, it becomes the enemy of a social order that crushes it." The situation is scarcely better in parts of the country which are free from *latifundia*. In Sicily most of the agricultural population live on farms owned by themselves; but then these farms are too small to support them adequately, and their occupiers scorn the idea of working for hire. There are as many nobles in Sicily as in

England, and Mr. Dawes (from whose report on Sicily to the Foreign Office in 1872 I draw these particulars states) that 25 per cent. of the lower orders are what he terms drones—idlers who are maintained by their wives and children. In Italy there is little working-class opinion distinct from the agricultural. There are few factories, and the artisans who work in towns have the habit of living in their native villages near by, and going and coming every day to their work. Two-thirds of the persons engaged in manufactures do so, or at least go to their rural homes from Saturday till Monday. Their habits and ways of thinking are those of agriculturists, and the social question of Italy is substantially the agricultural labourers' question. The students at the universities, too, are everywhere leavened with socialism. The advanced men among them seem to have ceased to cry for a republic, and to place their hope now in socialism. They have no desire to overturn a king who is as patriotic as the best president, and they count the form of government of minor importance as compared with the reconstitution of property. Bakunin thought Italy the most revolutionary country of Europe except Spain, because of its exceptionally numerous body of enthusiastic young men without career or prospects; and certainly revolutionary elements abound in the peninsula, but, as M. de Laveleye shrewdly remarks, a revolution is perhaps next to impossible for want of a revolutionary metropolis. "The malaria," he says, "which makes Rome uninhabitable for part of the year will long preserve her from the danger of becoming the seat of a new commune."

In Spain, as in Italy, socialism made its first appearance in 1868 through the agency of the International, and found an immediate and warm response among the people. In 1873 the International had an extensive Spanish organization with 300,000 members and 674 branches planted over the whole length and breadth of the country, from industrial centres like Barcelona to remote rural districts like the island of Majorca. M. de Laveleye was present at several sittings of these socialist clubs when he visited Spain in 1869, and he says: "They were usually held in churches erected for worship. From the pulpit the orators attacked all that had pre-

viously been exalted there—God, religion, the priests, the rich. The speeches were white hot, but the audience remained calm. Many women were seated on the ground, working, nursing their babes, and listening attentively as to a sermon. It was the very image of '93." He adds that their journals wrote with unparalleled violence, especially against religion and the Church.

On the division of the International in 1872 the Spanish members sided with Bakunin, supporting the anarchist view of the government of the future. This was natural for Spaniards, among whom their own central government had been long thoroughly detested, and their own communal organization regarded with general satisfaction. The Spanish people, even the humblest of them, are imbued beyond others with those sentiments of personal dignity and mutual equality which are at the bottom of democratic aspirations; and in their local communes, where every inhabitant who can read and write has a voice in public council, they have for ages been accustomed to manage their own affairs with harmony and advantage. The revolutionary tradition of Spain has accordingly always favoured communal autonomy, and the Federal rather than the Central Republic. Castelar declares the Federal Republic to be the most perfect form of State, though he thinks it for the present impracticable; and the revolution of 1873, in which the International played an active part, was excited for the purpose of establishing it. The Federal Republicans are not all socialists. Many of them are for making the agricultural labourers peasant proprietors, and even for dividing the communal property among them; but in a country like Spain, where communal property exists already to a large extent, the idea of making all other property communal property lies ever at hand as a ready resource of reformers. Nor, again, are all Spanish socialists federalists. There is a Social Democratic Labour party in Spain which broke off from the anarchists in 1882, and published a programme more on Marxist lines, demanding (1) the acquisition of political power; (2) the transformation of all private and corporate into the common property of the nation; and (3) the reorganization of society on the basis of industrial associations. This body is not very numerous, but at one of its recent congresses it had delegates from 152

different branches, and it has for the last four years had a party organ, *El Socialista*, in Madrid.

The bulk of Spanish socialism still belongs, however, to the anarchist wing. Little has been heard of the anarchists in Spain since the revolution of 1873 and the fall of the International. They have usually been blamed for the attempts on the life of the king in 1878, but they have certainly never resorted to those promiscuous outrages which have formed so much of the recent policy of the anarchists of other countries; and except for participation in a few demonstrations of the unemployed, they have maintained a surprisingly quiet and unobtrusive existence. In 1881 they reconstituted themselves as the Spanish Federation of the International Working Men's Association, which is said by the author of "Socialismus und Anarchismus, 1883-86," apparently on their own authority, to have 70,000 members in all Spain, who are distributed in 800 branches, and hold regular district and national congresses, but always under cover of secrecy. They have two journals in Madrid, and others in the larger towns elsewhere. They are sorely divided into parties and schools on very petty points, and fierce strife rages between the tweedledums and tweedledees. One party has broken away altogether and established a society of its own, under the name of the Autonomists. The anarchists are in close alliance with an agrarian organization called the Rural Labourers' Union, which has agitated since 1879 for the abolition of *latifundia* in Andalusia, but they always disclaim all connection with the more notorious Andalusian society, the Black Hand, which committed so many outrages in 1881 and 1882, and is often identified with the anarchists. The Black Hand is a separate organization from the anarchists, and has, it is said, 40,000 members, mostly peasants, in Andalusia and the neighbouring provinces; but their principles are undoubtedly socialistic. Their views are confined to the subject of land; but they declare that land, like all other property, has been made by labour, that it therefore cannot in right belong to the idle and rich class who at present own it, and that any means may be legitimately employed to deprive this class of usurpers of their possessions— the sword, fire, slander, perjury.

In Spain, unlike most other countries, the artisans of the towns show less inclination to socialistic views than the rural labourers. They have an active and even powerful labour movement of their own, carried on through an extensive organization of trade unions which has risen up rapidly within the last few years, especially in Catalonia, and they put their whole trust in combination, co-operation, and peaceful agitation for gradual reform under the present order of things, and will have nothing to say to socialism or anarchism; so much so, that they manifested the greatest reluctance to join in the eight hour demonstrations of May-day, 1890, because they did not wish to be confounded or in any way identified with the more extreme faction who were getting those demonstrations up; and they actually held a rival demonstration of their own on Sunday, the 4th of May, "in favour," as they stated in the public announcement of it, "of State socialism and of State legislation, both domestic and international, to improve the general condition of the working classes without any revolutionary or sudden change that could alarm the Sovereign and the governing classes."

Spain made a beginning in factory legislation in 1873, when an act was passed restricting the labour of children and young people; but the act remained dead-letter till 1884, when the renewal of agitation on the social question by the various parties led the cabinet to issue an order to have this law carried into effect, and a little later in the same year to appoint a royal commission to institute a thorough inquiry into the whole circumstances of the labouring classes, and the conditions of their improvement. This commission, which received nothing but abuse from the anarchists, who said the labour problem must be settled from below and not from above, was welcomed very heartily by the trade unionists, and with favour rather than otherwise even by the Social Democrats; but it has as yet had little or no result, and men who know the country express their opinion very freely that it will never lead to anything but an act or two that will remain dead-letter like their predecessors. The suffrage is high, only one person in seventeen having a vote; and working-class legislation will continue lukewarm till the working class acquires more real

political power. A leading Spanish statesman said lately: "The day for social questions has not yet come in Spain, and we can afford to look on and see other countries make experiments which may be of use some day when our politicians and thinkers can find time to devote attention to these twentieth century problems."

There seems much truth in the view that socialism, spite of the alarm its spread caused to the Spanish Government in 1872, is really a disease of a more advanced stage of industrial development than yet exists in Spain, and therefore unlikely to grow immediately into anything very formidable there. The country has few large industrial centres. Two-thirds of the people are still engaged in agriculture; and though it is among the agricultural classes socialism has broken out, the outbreak has been local, and confined to provinces where the conditions of agricultural labour are decidedly bad. But these conditions vary much from province to province. In the southern provinces the cereal plains and also the lower pasturages are generally possessed by large proprietors, who work them by farmers on the *metayer* principle, with the help of bands of migratory labourers in harvest time; but in the mountainous parts of these provinces the estates belong for the most part to the communes. They are usually large, and as every member of the commune has an undivided right of using them, he is able to obtain from them the main part of his living without rent. Many of the inhabitants of such districts engage in the carrying trade, to which they conjoin a little cattle-dealing as opportunities offer; and as they are sober and industrious, they are usually comparatively well off. In the northern provinces the situation is in some respects better. Land is much subdivided, and though the condition of the labouring class is not as a rule unembarrassed, that result is due more to their own improvidence and indolence than to anything else. A man of frugal and industrious habits can always rise without much difficulty from the position of day labourer to that of *metayer* tenant, and from tenancy to proprietorship, and some of the small proprietors are able to amass a considerable competency. Besides, even the improvident are saved from the worst by the communal organization. They

have always a right of pasturage on the commons, and a right to wood for fire, house and furniture, and they get their children's education and medical attendance in sickness gratuitously on condition of giving six days' labour at the roads of the commune. The most active and saving part of the population, north and south, is the class of migratory workmen, who stay at home only during seed-time and harvest, and go for the rest of the year to work in Castile, Andalusia, or Portugal, as masons or carpenters, or waiters, and always come back with a store of money. Sometimes they remain abroad for a year or two, and sometimes they go to Cuba or Mexico for twenty years, and return to settle on a property of their own in their native village. This class forms the *personnel* of the small property in Spain, and they give by their presence a healthy stimulus to the neighbourhoods they reside in. The small property is in Spain, as elsewhere, too often turned from a blessing to a curse by its subdivision, on the death of the proprietor, among the members of his family, who in Spain are usually numerous, though it is interesting to learn that in some of the Pyrenean valleys it has been preserved for five hundred years by the habit of integral transmission to the eldest child—son or daughter—coupled with the habit of voluntary celibacy on the part of many of the other children. The economic situation of Spain, then, is not free from defects; but there always exists a wide margin of hope in a country where, as Frere said, "God Almighty has so much of the land in His own holding," and its economic situation would not of itself be likely to precipitate social revolution.

From Spain, socialism passed into Portugal; but from the first it has worked very quietly there. Its adherents formed themselves into an association in 1872, and held congresses, published newspapers, started candidates, and actively promoted their views in every legitimate way. Their programme was anarchism, like that of their Spanish allies; but, unlike anarchists elsewhere, they repudiated all resort to violence, for, as M. de Laveleye says, they are naturally "less violent than the Spaniards, the economic situation of the country is better, and liberty being very great, prevents the explosion of popular fury, which is worse when exasperated by

repression." Portugal is an agricultural country in a good climate, where the people have few wants, and find it easy to satisfy them fairly well. In the absence of any manner of acute discontent, socialism could never have been much better than an abstract speculation; and Portuguese socialism, if we may trust the complaints made by the party elsewhere, seems now to have lost even the savour it had. In March, 1888, one of the socialist newspapers of London reported that the Portuguese working men's movement had, in the course of the preceding ten years, given up the straightforward socialist character it once had; that its leaders had entered into compromises with other political parties, and threw themselves too much into experiments in co-operation; that the party press was very lukewarm in its socialism, and inclined more to mere Radicalism; and that one or two attempts that had been made to start more extreme journals had completely failed; but it announced with satisfaction, that at last, in January, 1888, a frankly anarchist paper was published at Oporto—*A Revoluzao Social*. About the same time the editor of a journal which had made some hostile remarks on anarchism was shot, and anarchists were blamed and arrested for the deed. There was a Socialist Congress at Lisbon in 1882, composed of twelve delegates representing eight societies, all in Lisbon or Oporto.

While the socialist cause has been thus rather retreating in the south of Europe, it has been making some advances in the north. Of the three Scandinavian countries, Denmark alone gave any early response to the socialist agitation; but there are now socialist organizations in Sweden and Norway, and the movement in Denmark has assumed considerable dimensions. Attempts were made to introduce socialism into Norway as far back as 1873 by Danish emissaries, and the International also founded a small society of thirty-seven members in Christiania; but the society seems to have died, and nothing more was heard of socialism there till the commotion in favour of a Republic in 1883. A Social Democratic Club was then established in Christiania, and a Social Democratic Congress was held at Arendal in 1887; but even yet Norwegian social democracy is of so mild a character that

it would be counted conservatism by Social Democrats elsewhere, for this Congress issued a programme for a new labour party without a word of socialism in it, and merely asking for a normal working day, for factory legislation and reform of taxation. In Sweden there is more appearance of agitation, because there is one very active agitator in the country, Palm, a tailor, who keeps socialism *en evidence* by making stump speeches, or getting up street processions with the usual red flags, and sometimes—such was the easy indifference of the Government to his work at first—with a military band in full uniform at the head of them. The Swedish socialists had four newspapers in 1888, but three of them were confiscated by the Government in December of that year, and their editors arrested for offences against religion and the throne. In May, 1890, they held their first Congress at Stockholm, when delegates appeared from twenty-nine unions; but the movement is very unimportant in Sweden and Norway, and the chief conditions of success seem wanting to it in those countries. There is no class of labourers there without property; no town residuum, and no rural cottagers. There being few great manufacturers in the kingdom, only fifteen per cent. of the people altogether live in towns. The rest are spread sparsely over the rural districts on farms belonging to themselves, and in the absence of roads are obliged to make at home many of the ordinary articles of consumption. What with the produce of their small properties and their own general handiness, they are unusually independent and comfortable. M. de Laveleye considers them the happiest people in Europe.

The circumstances of Denmark are different. The operatives of the town are badly off. Mr. Strachey tells us in his report to the Foreign Office in 1870 that every fourth inhabitant of Copenhagen was in receipt of parochial relief in 1867, and he says that while the Danish operatives are sober and well educated, they fail in industry and thrift. "No fact in my report," he states, "is more certain than that the Dane has yet to learn the meaning of the word *work*; of entireness and thoroughness he has seldom any adequate notion. This is why the Swedish artisan can so often take the bread from

his mouth." In the rural districts, too, the economic situation, though in some respects highly favourable, is attended by a shadow. The land is, indeed, widely diffused. There are in all 280,000 families in the rural districts of Denmark, and of these 170,000 occupy independent freeholds, 30,000 farm hired land, and only 26,000 are agricultural labourers pure and simple. Seven-eighths of the whole country is held by peasant proprietors, and as a rule no class in Europe has improved more during the last half century than the Danish peasant or Bonde. Mr. Strachey says: "The Danish landlord was till recent times the scourge of the peasantry. Under his paternal care the Danish Bonde was a mere hewer of wood and drawer of water; his lot was no better than that of the most miserable ryot of Bengal. The Bonde is now the freest, the most politically wise, the best educated of European yeomen." But there is another side to the picture. In Denmark, as in other places where the small property abounds, the property is often too small for the proprietor's necessities, and there thus arises a kind of proprietor-proletariat, unwilling to part with their land and unable to extract a living out of it. This class, along with the rural labourers who have no property, constitute a sort of fourth estate in the country, and there as elsewhere their condition is preparing a serious social question for the future. Then, among the influences favourable to the acceptance of socialism in Denmark, must be counted the fact that one of the two great political parties of the country is democratic. Curiously enough that party consists of the peasantry, and the Conservatives of Denmark are the commercial classes of the towns, with the artisans in their wake, their Conservatism, however, being substantially identical with the Liberalism of the same classes in other countries. This democratic party seeks to make everything in the State conduce to the interests of the peasantry, and keeps alive in the country the idea that the State exists by the will of the people, and for their good alone.

The International was introduced into this exclusively Protestant country by two militant Roman Catholics—Pio, a retired military officer, who came to Denmark as religious tutor to a baroness who had joined the Church of Rome, and

Geleff, who wrote for an Ultramontane journal. They pursued their new mission with great zeal and success. They opened branches of the association in most of the towns, started a party newspaper, held open-air meetings, were sent to imprisonment for sedition in 1873, and on their release in 1877 absconded to America with the whole of the party funds, and disputed bitterly there over the spoil. While they were in prison, the International was suppressed in Denmark; but the members merely reconstituted the organization under the name of the Socialist Labour Party, and the place of leader was taken for a time by an authoress, Jacquette Lilyenkrantz, for, as in other countries, women are in Denmark among the most active propagandists of socialism. They kept up communications with the socialist leaders in Germany, and the meeting of the German Socialist Congress at Copenhagen in 1883 gave the movement a new impetus. They were able to return two deputies, Holm and Hördun, to the Volkething in 1884, and they took part, 80,000 strong, in the Copenhagen procession of 1886, in commemoration of the fundamental law of the State. Their chief party organ, the *Social Demokraten*, has a circulation of 26,000 daily, one of the largest newspaper circulations in Denmark; and there are other four socialist journals in the kingdom.

They belong to the moderate wing of social democracy, being opposed to revolution and terrorism, and placing their confidence in constitutional agitation. Their programme is substantially that of Gotha—the right of the labourers to the full product of labour, State management of all industry, free education, universal suffrage, normal working day, abolition of class inequalities, single chamber in legislature, free justice, no standing army, State provision for sick and aged, religions to be a private affair. They turn their propaganda with most hope to the land proletariat; and a recent writer, P. Schmidt, in an interesting paper in the *Arbeiterfreund* for 1889, says they are succeeding in their mission, and that socialism is spreading more and more every day among the rural labourers. At their last Congress, held at Copenhagen, in June, 1890, and attended by seventy-one delegates from fifty-four different branches, their attention was chiefly occupied with questions

about the land; provision of more land for the people by compulsory acquisition of ecclesiastical property and uncultivated ground; State advances of capital to agricultural labourers; agricultural schools; better housing for farm servants, etc. In 1887 they held a socialist exhibition in Copenhagen—an international exhibition of socialist pamphlets, newspapers, books, magazines, and pictures; and in 1890 they returned two members to the Landthing—the first time they secured representatives in the Upper Chamber.

Belgium has many of the conditions of soil most favourable for socialism—a dense population, large towns, an advanced productive system, and an industrial class at once very numerous, very ill paid, and very open, through their education, to new social ideas. For a time, accordingly, socialism spread remarkably in that country. The International had eight federations of branches in 1869, with 60,000 members and several newspapers. In the dispute between Marx and Bakunin, the Belgian Internationalists seem to have sided as a body with Bakunin; but they presently fell out among themselves, and, in spite of many repeated efforts at reconciliation, they have never since succeeded in composing their differences. The German socialist leaders tried to reorganize them in 1879 at a special Congress at Brussels, under the name of the Socialist Labour Party of Belgium, and with the Gotha programme; but they were rent again in 1881 by a division which had then entered into German socialism itself. The majority of the party adhered to Liebknecht and Bebel; but an active minority, composed chiefly of Walloons, followed the anarchist views of Most and Hasselman, withdrew from the party, and founded another called the Revolutionary Union. The anarchists have one journal—*Ni Dieu, Ni Maître*—violent, as the name indicates, but obscure and unimportant; but they believe most in the less intellectual propaganda of deed, and make themselves conspicuous from time to time by dynamite explosions and street fights with the police or the military, or their own socialist rivals. The Belgian socialists, on the other hand, look more to constitutional and parliamentary action, and usually work with the Liberals at the elections; but the Belgian voting qualification is high, and they have never succeeded in returning a candidate of their

own. In 1887 their candidate for Brussels got 1,000 votes, while his successful rival had 3,000. They took an active part in the Republican agitation which was raised by the School Law in 1884. They have capable leaders, and they publish two journals, which, however, for want of funds, appear only at distant and uncertain intervals. They have lately begun to hold many open-air meetings, which the authorities had long forbidden, and they held an International Socialist Exhibition at Ghent in 1887 like that held in the same year at Copenhagen.

On the whole socialism, after twenty years' work, is making no way in Belgium, notwithstanding the favourable character of the soil, because the labour movement is choosing other directions and forms of organization. Trade unions and co-operative societies have been multiplying much during these twenty years, and in 1885 a strong Belgian Labour Party was formed, with 120 branches and 100,000 members, which aims at promoting the practical wellbeing of the working class by remedial legislation—by in some cases vicious State-socialistic legislation, it may be—but has no word of the right to the full product of labour, of the nationalization of all industry, or of the social revolution. One of the items of the programme is worded "collective property"; but whether it contemplates the universal State-property of collectivism or the corporate property of co-operation does not appear. The other items are universal suffrage, direct legislation by the people (presumably the *referendum*), free undenominational education, abolition of standing army, abolition of budget of worship, normal work day, normal wages, regulation of work of women and children, factory inspection, employers' liability, workmen's chambers, courts of conciliation, repeal of taxes on means of subsistence, increased income tax, international labour legislation. M. de Laveleye attributes the ill success of socialism in Belgium, and no doubt rightly, to the influence of discussion and free institutions. Government has left it to stand or fall on its own merits before public opinion. The socialists enjoy full liberty of the platform and press; they can hold meetings and congresses and form clubs in any town they please, and the result is that though the movement, like all new move-

ments, made a certain impression and advance for a time at first, it got checked under the influence of discussion and the application of solid practical judgment. Then, though the Belgian Legislature has not yet done what it can and ought for ameliorating the condition of the labourers, philanthropy has been very active and useful in a number of ways in that kingdom. The Catholic Church has always intervened to keep up a high ideal of employers' responsibility—the old ideal of a patriarchal care; and there is a strong organization in Belgium of Catholic Working Men's Clubs, which were formed into one body in 1867, which were united with the Catholic Working Men's Clubs of Germany in 1869, and with those of France in 1870, and which now constitute with these the International Catholic Working Men's Association.

It ought perhaps to be mentioned that there is an old but small party of Land Nationalizers in Belgium, the Colinsian Socialists, whose principles have been warmly endorsed by Mr. Ruskin as "forming the most complete system of social and political reform yet put forward." They want the State to own all the soil, and let it out by auction; but they are opposed to nationalizing any of the other instruments of production.

In Holland, wealth is very unequally divided, wages are low, and taxation, being largely indirect, falls heavily on the working class; but the people are phlegmatic, domestic, religious, and contrive on small means to maintain a general appearance of comfort and decency. Above all, they enjoy free institutions; and, under freedom, socialism has run the same course in Holland as in Belgium. The International made rapid advances in 1869, founded branches in all the towns, and carried on, after the Paris Commune, so active and successful an agitation that the *bourgeoisie* took alarm, and Government imposed some restrictions on the disaffected press. But a general rise in wages happened about the time, a strong co-operative movement was promoted under the lead of the orthodox divines, a lively polemic against socialism broke out among the working men themselves, and all interest in the social revolution seemed to have died away, when, in 1878, it was revived again by D. Niewenhuis, a retired Protestant minister, a man of capacity and zeal, who has been unwearied in his advocacy

of the cause ever since. He started in that year a journal, *Recht Voor Allen*, which is still, I believe, the only socialist organ in Holland, and appears now three times a week; and he founded the Social Democratic Union in 1884, which is strongest in the Hague and Amsterdam, but has branches in most of the other towns, and a membership by no means inconsiderable, though much below the old numbers of the Dutch International. After being imprisoned in 1887 for political reasons, Niewenhuis was returned to the Legislature in 1888—the first socialist who has sat there. The Dutch Socialists, to increase their numbers, enrol a class of "secret" members, timid spirits who will only come to them "by night, for fear of the Jews." There is also a handful of anarchists in Holland, who have a newspaper in Amsterdam, and are said to live harmoniously with the socialists, and, according to the reports of the American consuls, nobody in the country thinks any harm of either.

Switzerland has swarmed for a century with conspirators of all hues and nations; but the Swiss—thanks again to free institutions—have been steel against revolution. The "Young Germanys" and "Young Italys" whom she sheltered in the past sought only, it is true, to win for their own countries the political freedom which Switzerland already enjoyed; but the socialist and anarchist refugees of the last twenty years have had social principles to preach which were as new and as good for the Swiss as for their own countrymen; and, speaking as they did the languages of the Confederation, they have never ceased making active efforts for the conversion of the Swiss. The old Jurassian Federation of the International, still continues to exist in French-speaking Switzerland, and to bear witness for the extremest kind of anarchist communism—no force or authority whatever, and a collective consumption of products as well as a collective production; but this body is not increasing, and though Guesde, the French socialist, made a lecturing tour through that division of Switzerland in 1885, he had quite as little success for his branch of the revolutionary cause. There are numbers of Social Democratic Clubs in the German-speaking cantons, but they consist mainly of German refugees, and contain few native Swiss members. After the

Anti-Socialist Laws of 1879, the German socialists settled largely in Switzerland. They transferred to Zurich their party organ, the *Social Democrat*, and along with it, to use their own phrase, the entire Olympus of the party, the body of writers and managers who moved the shuttle of its operations. These propagandists naturally did not neglect the country of their adoption, but used every opportunity to forward their agitation by addresses and even by extended missionary journeys, and a separate Swiss Social Democratic party was actually founded, with a separate organ, the *Arbeiterstimme;* but it collapsed in 1884 from internal dissensions. No attempt was made to revive it till 1888, when the action of the Federal Council in May against the foreign socialists resident in the Confederation led to the organization of a Swiss socialist party in October. The Federal Government had already, in 1884 and 1885, taken measures against the political refugees, especially the anarchists, who were thought to have abused the hospitality they received by planning and preparing in Switzerland the series of crimes which shocked all Europe in 1884, and even by trying to explode the Federal Palace at Berne itself. The Government instituted an inquiry, and finding the country absolutely riddled with anarchist clubs, determined to keep the eye of the police on them, and in the meantime expelled thirty or forty of their leading members from Switzerland altogether. These were almost without exception either Austrians or Germans, and included Neve, now a leading anarchist in London. The Russian anarchists were apparently not thought so dangerous, their great occupation being to invent new ways and means of smuggling newspapers into Russia; but they disliked the police supervision to which they were subjected, and very generally quitted Switzerland of their own accord for London or Paris. The anarchist organ, the *Revolté*, was removed at the same time to Paris, but its place in Geneva was taken by a new paper—*L'Egalitaire*. In 1888 the police were ordered to report all socialist meetings held in the country, and all arrivals or departures of "foreigners whose means of subsistence was unknown, and whose presence might, for other reasons, become dangerous to the safety of the country"; and as this further turn of the screw was believed to be made

on the instigation of Germany, it provoked considerable opposition, one result of which was the formation of the new Swiss socialist party.

This party, however, is not an affair of any magnitude, and does not appear very likely to become so; for the working men of Switzerland have the public power in their own hands already, and they have their own organizations besides to look after their interests; and while they are by no means averse to the use of the powers of the State, they are disposed to move with inquiry and caution, and to see every step of their way before running into speculative schemes of foreign origin. Their political position satisfies them, because they know they are too strong for Government to neglect their wishes, because some labour laws have already been passed for their protection, and because the authorities always show themselves ready to entertain any new proposals for the same object, as, for example, they did in May, 1890, by summoning an International Congress at Berne to discuss the length of the working day and other conditions of labour.

Their economic position, moreover, is also comparatively satisfactory for various reasons, among which Mr. Bonar, in his report to the Foreign Office in 1870, gives a chief place to the general working of democratic institutions and the prevalence of benevolent and charitable associations. "In enumerating," he says, "the favourable circumstances in which the Swiss working man is placed, prominence must be given to the immense extension of the principle of democracy, which, whatever may be its defects and dangers from a political point of view when pushed to extremes, serves in Switzerland in its economical effects to advance the cause of the operative by removing the barriers dividing class from class, and to establish among all grades the bonds of mutual sympathy and goodwill, further strengthened by a widely-spread network of associations organized with the object of securing the common interests and welfare of the people." Masters and workmen are socially more equal than in most European countries; they sit side by side at the board of the Communal Council, they belong to the same choral societies, they refresh themselves at the same *cafés*. In most cantons, too, operatives are either owners of, or

hold from the communes, small pieces of land which they cultivate in their leisure hours, and which thus serve them when work gets slack or fails altogether. The favourable rural economy of the country is well known; its peasant proprietors rival those of France. The Swiss societies of beneficence are remarkable, and almost suggest the hope that the voluntary socialism of a more enlarged and widely organized system of charity may be found to furnish a substantial solution of the social question. Every canton of Switzerland has its society of public utility, whose aims take an extensive range; it gives the start to projects of improvement of every description, infant schools, schools of design, savings banks, schemes for the poor, the sick, the dumb, singing classes, halls for Sunday recreation, popular lectures, workmen's houses, protection of animals, even industrial undertakings which promise to be ultimately beneficial, though they may not pay at first. The society of Basle has 900 members and a capital of £6,000, and the Swiss Society of Public Utility is an organization for the whole Republic, which holds an annual congress at Zurich, and general meetings in the different cantons by turns. These meetings pass off with every mark of enthusiasm, and gather together men of all religious and political opinions in a common concern for the progress and prosperity of the masses. One of the institutions which these societies have largely promoted is what they call a hall of industry, or a bazaar, where loans may be received by workmen on the security of their wages, or of goods they may deposit. A labourer who has made any article which he cannot get immediately sold, may deposit it at one of these bazaars, and obtain an advance equal to a fixed proportion of its value, and if the article is sold at the bazaar, the proceeds are accounted for to the depositor, less the sum advanced and a small charge for expenses. These institutions, Mr. Bonar says, have had excellent effects, though he admits that the facilities of borrowing have led the working men in some places into debt; but they are at any rate a vast improvement on the pawnbroking system in vogue elsewhere. The condition of Switzerland shows us clearly enough that democracy under a *régime* of freedom lends no ear to socialism, but sets its face in entirely different directions.

The United States of America have done more for experimental socialism than any other country. Owenites, Fourierists, Icarians have all established communities there, but these communities have failed long ago, except one of the Icarian, and the only other socialist experiments now existing in America are seventy or eighty religious communities, Shakers and Rappists, whose success has been due to their religious discipline and their celibacy, and whose members amount to no more than 5,000 souls all told. There is indeed a Russian Commune in California, but it remains a solitary Russian Commune still, the "new formula of civilization," as Russian reformers used to call it, showing no sign of further adoption. Nor has the new or political socialism found any better success in the States. There are various indigenous forms of it—such as the agrarian socialism of Mr. Henry George, and the nationalism of Mr. E. Bellamy—but in point of following they are of little importance, and the socialism of the American socialist and revolutionary parties is a mere German import, with as yet a purely German consumption. It has been pushed vigorously in the American market for twenty years, but taken singularly little hold of the American taste. There is one revolutionary socialist body composed chiefly of English-speaking members, the International Workmen's Association, which was founded in 1881 in one of the western states; but Mr. Ely says its membership would be generously estimated at 15,000, and it considers the great work of the present should be popular education, so as to prepare the people for the revolution when it comes.

The Boston Anarchists, perhaps, ought not, strictly speaking, to be included in any account of socialism, for, unlike most contemporary anarchists, they are not socialist, but extremely individualist; but historically, it is worth noting, Boston Anarchism is the doctrine of a disenchanted socialist, Josiah Warren, who had lived with Robert Owen at New Harmony, and came to the conclusion that that experiment failed because the individual had been too much sunk in the community, and no room was left for the play of individual interests, individual rights, and individual responsibilities. From Owen's communism, Warren ran to the opposite extreme, and thought it impossible to individualize things too much. He would abolish

the State, and have the work of police and defence done by private enterprise, like any other service. He issued some books, tried to carry out his views by practical experiment, and, though they failed, he has still a small band of believing disciples at Boston, who publish a newspaper called *Liberty*, but have no organization and no importance.

Henry George and his followers, too, perhaps ought not in strictness to be classified among socialists. He would certainly repudiate such a classification himself, and the United Labour Party, which he founded in 1886 to promote his views by political action, expelled the socialists from membership in 1887. His actual practical proposal is nothing more than a narrow and illusory plan of taxation; but he puts it forward so expressly as the keystone of a new social system, as the remedy prescribed by economic science itself for the complete regeneration of society and the simultaneous removal of all existing social evils, that he is not improperly placed among Utopian socialists. Does he not promise us a new heaven and a new earth? And if he believes the State can call the new heaven and the new earth into being by a mere turn in the incidence of taxation, while most other contemporary socialists think the State must first pull down all that now is and reconstruct the whole on a new plan, is he, on account of this greater credulity of his, to be considered a more, and not rather a less, sober and rational speculator than they? He wants to abolish landlordism, while they want to abolish landlordism and all other capitalism besides; and his views may fairly be called partial or agrarian socialism. The United Labour Party was founded mainly to promote Mr. George's panacea of the single tax on such land values as arise from the growth of society apart from individual exertion; but it includes other articles in its programme—the municipalization of the supply of water, light, and heat; the nationalization of all money, note issue, post, telegraphs, railways, and savings banks; reduction of the hours of labour, prohibition of child labour, suppression of the competition of prison labour with honest labour; sanitary inspection of houses, factories, and mines; simplification of legal procedure; secret ballot; payment of election expenses. The United Labour Party is not strong.

When Mr. George stood for the Mayoralty of New York, he had 68,000 votes to his opponent's 90,000; but he had on that occasion the assistance of the Socialistic Labour Party, who are said by Mr. Ely to number about 25,000 in New York, and who certainly constituted a very considerable element in the United Labour Party, for they were expelled at the Party Convention only by a vote of 94 to 54. On the other hand, Mr. Ely's estimate of the strength of the socialists is possibly too high, for they ran a candidate for the Mayoralty of New York themselves in 1888, a leading man of the party, one Jones, and he only secured 2,000 votes. However that may be, the United Labour Party was certainly much weakened by the loss of the socialists, and they were disabled entirely in the following year by a division on the question of Free Trade and the secession of Father McGlynn and the Protectionist members.

Nationalism is the name of a new movement, the fruit of the remarkable and very popular novel of Mr. Edward Bellamy, "Looking Backward," which may be said to be the latest description of Utopia as it now stands with all the most modern improvements. Mr. Bellamy would have all industry organized and conducted by the nation on the basis of a common obligation of work and a general guarantee of livelihood, all men to get exactly the same wages, and to do exactly the same quantity of work, due allowance being made for differences in severity, and the State to enlarge indefinitely its free public provision of the means of common enjoyment and culture. Mr. Bellamy's charming pictures of the new country naturally engendered a general wish to be there, and many little societies have been established to hasten the hour; but as the movement has not been more than a year in being, little account can yet be given of its success. The Nationalists have quite recently issued an organ, *The New Nation*, which announces its programme to be (1) the nationalization of post, telegraphs, telephone, railways and coal mines; (2) municipalization of gas and water supply, and the like; and (3) the equalization of educational opportunities as between rich and poor, and the promotion of all reforms tending towards humaner, more fraternal, and more equal conditions. Nationalism out of Utopia, therefore, means merely a little State-socialism.

The strongest socialist organizations in the United States are the Socialistic Labour Party, corresponding to the Social Democrats of Europe, and the International Working People's Association, corresponding to the anarchists; but both are composed almost exclusively of Germans. There are more Germans in the North American Republic than in any State of Germany except Prussia; and as many of them have fled from their own country for political reasons—to escape the conscription, or to escape prosecution for sedition—they bear no goodwill to the old system of government, and harbour revolutionary ideas almost from the nature of things. A socialist propaganda began among them so far back as 1848, when Weitling, of whom more will be said presently, published a socialist newspaper; and a Socialist Gymnastic Union was established in New York in 1850, which succeeded in forming a kind of federal alliance, apparently for socialistic purposes, with a number of other local German gymnastic societies throughout the States; but though these societies still exist, they seem to have dropped their socialism. It was taken up again, however, in 1869, by the International, which transferred its General Council to New York in 1872, held congresses from time to time in the country, and eventually, at the Newark Convention of 1877, adopted the name of the Socialistic Labour Party, with a programme formed after the Gotha lines. The numbers of the party were strengthened in the years immediately following by the arrival of German refugees, expelled from their own land by the Socialist Laws; but the new members brought with them elements of dissension which speedily came to a head after the arrival of the incendiary spirit, John Most, in 1882, and led, in 1883, to the entire separation of the Anarchists from the Social Democrats. The latter held a separate Congress at Baltimore in the latter year, attended by 16 delegates, representing 23 branches and 10,000 members, and it reported that altogether 38 branches adhered to them. The anarchists held a Congress at Pittsburg, and formed themselves into the International Working People's Association, with the following principles:—

"What we would achieve is therefore plainly and simply—

"1st. Destruction of the existing class rule by all means; *i.e.*, by energetic, relentless, revolutionary, and international action.

"2nd. Establishment of a free society based upon co-operative organization of production.

"3rd. Free exchange of equivalent products by and between the productive organizations without commerce and profit-mongery.

"4th. Organization of education on a secular, scientific, and equal basis for both sexes.

"5th. Equal rights for all without distinction of sex or race.

"6th. Regulation of all public affairs by free contracts between the autonomous (independent) communes and associations resting on a federalistic basis." (Ely's "Labour Movement in America," p. 231.)

They differ from the Socialistic Labour Party, as this programme shows, in their exclusive devotion to revolution, and their opposition to all central government.

The Socialistic Labour Party has several newspapers, the principal being the *Sozialist* and the *Neu Yorker Volkszeitung* of New York, and the *Tageblatt* of Philadelphia; and the anarchists have more, the best known being Most's notorious *Freiheit*. Mr. Ely mentions sixteen socialist newspapers and ten sympathizing with socialism, and says that the majority of these support the anarchist side. The anarchists, moreover, have one journal in English—the *Alarm*; the Socialistic Labour Party started one in 1883, but it died. With that exception the press of both parties is entirely German, and neither party seems to have done almost anything in the way of an English propaganda from the platform. Dr. and Mrs. Aveling state that before they made their lecturing tour on the subject through the States in 1886, the American public had never heard socialism preached to them in their own tongue; yet books like Mr. Gronlund's "Co-operative Commonwealth," giving a very effective exposition of socialism, had already appeared from the American press. Dr. and Mrs. Aveling say, moreover, they met with more hostility to their mission from the anarchists than from any other source in America. The American people, while firmly stamping out the dynamite

policy of the anarchists, have naturally nothing to say against an academic propaganda of any system of doctrine.

The trend of the labour movement in America seems away from socialism. That movement is in many respects more powerful there than in any European country. There are some five hundred labour newspapers in the United States, and an immense number of trade organizations of all kinds. Political power, moreover, both in the States and in the Union, is in the hands of the working class; and that class has now very nearly the same grievances there as it has in Europe, and the same aspirations after a better order of things. But their tendencies are not nearer socialism, but further from it. They simply cannot understand people who tell them they have no power to work out their own salvation under the system that is, and that nothing can be done, as Marx assures them, until every capital in Europe is ready for a simultaneous revolution with New York and Chicago. The trade unions accordingly ignore socialism. The Knights of Labour expressly repudiate it, and in the course of a very long programme they hardly make a demand which has a taint even of State-socialism. This "Noble Order of the Knights of Labour" is a general association of working men to promote the cause of labour, partly by their own efforts and partly through the Government. By their own efforts they are to promote co-operation till, if possible, it supersedes the present wages system entirely; equality of wages for men and women for equal work; a general eight hours day through a general strike; and a system of arbitration in trade quarrels. From the Union Legislature they want merely a few general reforms, none bearing directly on the situation of labour, except the abolition of foreign contract labour. The others are, reform of the currency, nationalization of telegraphs and railways, and the institution of banking facilities of various kinds in connection with the Post Office. From the State Legislatures they ask the reservation of public lands to actual settlers, the simplification of the administration of justice, factory legislation, graduated income tax, and the following provisions for labour: weekly payment of wages in money, mechanic's lien on the product of his labour for his wages, compulsory arbitration in trade

disputes, prohibition of labour of children under fifteen. In 1886 they were 702,884 strong, but they have declined sorely since then. Their great weapon was to be an extension of strikes and boycotting beyond what was possible to single trades; but it was found that this policy was double-edged, and caused more hurt to some sections of the working class than any good it could do to others; and people lost faith in the principle of such huge miscellaneous organizations. Dr. Aveling contends that the Knights of Labour, in spite of Mr. Powderly's disclaimer, are really, though it may be unconsciously, socialists, because they want to supersede the wages system, if they can, by establishing co-operative institutions without State aid; and this, he holds, "is pure and unadulterated socialism." Indeed! then where is the man who is not a pure and unadulterated socialist? and what need for any mission to the States to preach the socialist message to the Americans for the first time in their own tongue?

England was the country last reached by the present wave of revolutionary socialism, although the system has been largely conceived upon a study of English circumstances, and is claimed to be peculiarly adapted to them. England is alternately the hope and the despair of Continental socialists. Every requisite of revolution is there, and yet the people will not rise. The yeomanry are gone. The land has come into the hands of a few. Industry is carried on by great centralized capital. The large system of production has almost finished its work. The mass of the people is a proletariat; they are thronged in large towns; every tenth person is a pauper; and the great mansions of the rich cast an evil shadow into the crowded dens of the wretched. "The English," says Eugène Dupont, a leading member of the old International, "possess all the materials necessary for the social revolution; but they lack the generalizing spirit and the revolutionary passion." Any proletariat movement in which the English proletariat takes no part, said Karl Marx, is "no better than a storm in a glass of water"; yet, though Marx himself resided in England for most of his life, no organized attempt was made to gain over the English proletariat to socialism till 1883—the year he died. There was before that, indeed, a small English section in

a foreign socialist club in Soho; and, after the fall of the Paris Commune, hopes were for a time entertained of starting a serious socialist movement in our larger towns; but these hopes proved so delusive that Karl Marx said more than once to Mr. Hyndman, as we are told by the latter, that he despaired "of any great movement in England, unless in response to some violent impetus from without." But in 1883 a socialist movement seemed to break out spontaneously in England, the air hummed for a season with a multifarious social agitation, and we soon had a fairly complete equipment of socialist organizations—social democratic, anarchist, dilettante — which have ever since kept up a busy movement with newspapers, lectures, debates speeches, and demonstrations in the streets.

In 1883 the Democratic Federation, which had been established two years before to promote measures of Radical reform, including, among other things, the nationalization of the land, adopted the socialistic principles of Karl Marx, and changed its name to the Social Democratic Federation. Its programme is long, and includes, besides the nationalization of land and all means of production, direct legislation by the people, direct election of all functionaries by adult suffrage, gratuitous justice, gratuitous, compulsory, and equal education, abolition of standing armies, Home Rule for Ireland, an eight hours day, State erection of workmen's dwellings, to be let at bare cost, progressive income tax, proportional representation, abolition of House of Lords, separation of Church and State, etc. Its principal founders were Mr. William Morris, an artist, a great poet, and a manufacturer exceptionally excellent in his arrangements with his workpeople; Mr. H. M. Hyndman, a journalist of standing and ability; Mr. J. Stuart Glennie, and Mr. Belfort Bax, both authors of repute Dr. Aveling, a popular lecturer on science, and son-in-law of Karl Marx; Miss Helen Taylor, step-daughter of John Stuart Mill; and the Rev. Stewart Headlam. In January, 1884, they started a weekly newspaper, *Justice*, and a monthly magazine, *To-Day*, both of which still appear, and began the active work of lecturing and founding branches. But before the year was out, the old enemy of socialists, the spirit of division, entered among them, and Mr. Morris, with

Dr. Aveling and Mr. Bax, seceded and set up an independent organization called the Socialist League, with a separate weekly organ, *The Commonweal*. The difference seems to have arisen out of the common socialist trouble about the propriety of mixing in current politics. The same disruptive tendency has persisted in the two parts, and in the end of 1890, Mr. William Morris seceded from the Socialist League with his local following at Hammersmith.

Neither of these revolutionary bodies has a complete organization like those of continental countries. They have never held a Congress, either national or provincial. They consist of a central committee in London, and detached local groups in the provinces, and their membership is not accurately known, but it is not extensive. It is in both cases declining, and it has always been variable, young men joining for a year or two, and then leaving. Their chief success has been among the miners of the North of England, and they have returned three members to the School Board of Newcastle. There is one socialist member in Parliament, Mr. Cunningham Graham, but he has not been returned on socialist principles or by a socialist vote; and hitherto the party has failed to obtain any serious support at the elections. At the election of 1885, Mr. John Burns, socialist candidate for Nottingham, had only 598 votes out of a total poll of 11,064, and Mr. J. Williams, the socialist candidate for Hampstead, had only 27 out of a total of 4,722. Mr. Burns, however, has since been returned to the London County Council, and will not improbably succeed in being returned to Parliament at next election. He is a working engineer, but is much the strongest leader English socialism has produced, an orator of great power, an excellent organizer, and the head and representative of a new labour movement which is likely to play a considerable part in the immediate future, and which is certainly fermented with a good measure of socialistic leaven. The New Unionism, as this movement is sometimes called, represents mainly the opinion of the new trade unions of unskilled labour—dockers and others—which have sprung into existence recently, and it was strong enough at the Trade Union Congress in 1890 to carry the day against the old

unionism of the skilled trades by a considerable majority in favour of the compulsory and universal eight hours day. But, as Mr. T. Burt, M.P., the miners' parliamentary representative, said in his speech to the Eighty Club two months afterwards, the New Unionism is, after all, only the young and inexperienced unionism, and must needs run now through the same kind of errors which the older trade unions have gone through before, but will, like the older unions, learn, by discussion and experiment, to keep within the lines of practicable and beneficial action. However that may be, for the moment, at any rate, the fortunes of English socialism seem to lie with Mr. John Burns and his labour movement, and not with the two socialist organizations which appear to have already reached their height, and to be now on the decline.

A well-informed German writer lately warned us that anarchism had brought its headquarters to London, that it was coming into relations with the English population through its clubs and newspapers, and he ventured to prophesy that we should certainly have soon an anarchist fire to extinguish on our own hearth much more serious than Germany or Austria has had to encounter. So far, however, there is little to support such a prophecy. There are four small anarchist clubs in London—three of them German clubs, which live at strife with one another, and the fourth a Russian or Polish club, whose members have few or no dealings with the Germans. The German anarchists publish two weekly newspapers in German, which it is their great business to smuggle into the Fatherland, and the Russian or Polish anarchists publish one in Yedish—the German-Hebrew *patois* of the Polish Jews—which is printed for the entertainment of the Polish tailors of the East End. Some of the principal anarchist leaders, it is true, live amongst us—for example, Prince Krapotkin and Victor Dave—and under their influence a group of English anarchists has grown up during the last few years; but this group has already, after the manner of modern revolutionists, split on a point of doctrine into two opposite camps, which,—if we may judge from their respective organs, *The Anarchist* and *Freedom*—expend a considerable share of their destructive energies upon one another. The

English anarchists have no permanent organization of any kind, and the one group are for socialist anarchism, and the other for individualist anarchism. On the whole the conversion of the English by the anarchist refugees is not an idea worthy of serious consideration; a better and more likely result would be that they would themselves, like Alexander Herzen, the leading anarchist of the past generation, be converted in England to more rational ideas of politics. Our safety lies, however, not so much in the practical character of our people, as in their habits of free and open discussion. What is called practicality is no safeguard against delusive ideas outside one's own immediate field of activity, and there is perhaps no country, except the still more practical country of America, where more favour is shown than here to fanaticism of any kind, if there seems to be heart in it. Besides, when we hear it said, We have indeed an enormous proletariat, but they are too practical to think of insurrection, we ought to reflect that, to the miserable, the practical test of a scheme will not be, Shall we be any the better for the change? but Shall we be any the worse for it? But under free institutions grievances always come to be ventilated; ventilation leads to more or less remedial measures, and discontent is removed altogether, or, at any rate, appeased for the time; and although under free institutions ill-considered schemes which inflate that discontent with delusive hopes may raise for a season a boom of earnest discussion, the discussion eventually kills them. So it seems to be with the fortunes of revolutionary socialism in England to-day. It has been much discussed for six years, but the height of the tide has been reached already, and the movement is now apparently on the ebb.

Besides these manifestations of revolutionary socialism, we have various societies representing an amateur and appreciative interest in socialism. There is the Christian Socialist Society, a small body of less than 150 adherents, including many clergymen and other members of the learned professions. They must not be confounded with the Christian Socialists of forty years ago, Maurice, Kingsley, and their allies, for the survivors of this earlier movement, such as Judge Thomas Hughes, Mr. Vansittart Neale, and Mr. J. M. Ludlow, do not

belong to the present Christian Socialist Society, and would repudiate its principles. They wanted to promote co-operation without State interference, and they take a leading part in the co-operative movement still; but the Christian Socialist Society of the present day is all for State interference, and the articles of its organ, the *Christian Socialist*, strongly support the doctrines of Karl Marx, and declare that "the command, 'Thou shalt not steal,' if impartially applied, must absolutely prohibit the capitalist, as such, from deriving any revenue whatever from the labourer's toil." But with all their will to believe with the Marxists, the latter are not sure of them, and the socialist organs, *Justice* and *To-Day*, twit them one day for not being Christians, and the next for not being socialists. They are not men of the same mark as the earlier body of English Christian socialists, Canon Shuttleworth and Mr. Stewart Headlam being the two best known of them. The Guild of St. Matthew, which is composed to some extent of the same *personnel* as the Christian Socialist Society, has published a compendium of Christian socialism, and strives, among other branches of its activity, to cultivate good relations between socialists and the Church.

The Fabian Society, again, is a debating club of mixed socialism. It contains socialists of all feathers—revolutionary socialists and philosophical socialists, Christian socialists and un-Christian socialists—who meet together under its auspices and exchange their views, without having any recognised end beyond the discussion. They intervened lately, however, in the eight hours day controversy, and drafted a bill for a compulsory measure on the subject which attracted some public attention. Among the principal members are Mr. Sidney Webb, a well-known writer and lecturer on economic subjects, Mr. G. Bernard Shaw, journalist, Mrs. Besant, and Mr. W. Clarke. They have published a volume of Fabian Essays, which has had a large sale.

No account of English socialism would be complete that made no mention of the writings of Mr. Ruskin, which have probably done more than any other single influence to imbue English minds with sentiments and principles of a socialistic character. But they have produced nothing in the nature of

a school or party more than perhaps some detached local group; such, for example, as the Sheffield Socialists, a small body formed under Ruskinian inspiration, and the leadership of Mr. E. Carpenter.

The outburst of socialist agitation in England in 1883 and 1884 was immediately preceded by a revival of popular interest in an old and favourite subject of English speculation, the nationalization of the land. Mr. Henry George had published his "Progress and Poverty" in 1881, and in the same year the Democratic Federation was established in London with land nationalization for one of its principles, and Mr. A. R. Wallace, the eminent naturalist, founded the Land Nationalization Society. In 1882, Mr. Wallace contributed still further to awaken discussion of the question by publishing his work on "Land Nationalization," and the discussion was spread everywhere in 1883 by the appearance of a sixpenny edition of Mr. George's remarkable work. Land nationalization in the hands of Mr. Wallace has little in common with any form of contemporary socialism. He does not contemplate any interference with the present system of agricultural production; that is still to be conducted by capitalists and hired labourers, as it is now. He merely proposes to abolish what is called landlordism by the compulsory conversion of the present tenant farmers into a body of yeomanry or occupying owners, and his scheme differs from the more ordinary proposals for the creation of peasant proprietors merely in two points: 1st—which is a very good proposal—that he would leave part of the price of the property to be paid in the form of a permanent annual quitrent to the State; and 2nd—which is a more doubtful proposal—that this part should represent, as nearly as it is possible now to calculate it, the original value of the soil apart from improvements of any kind—or, in other words, the unearned part of the present value of the property—and that it should be subject to periodical revision, with a view to recovering from the holder any further unearned increments of value that may accrue to his holding from time to time. Mr. Wallace, like Mr. George, has very utopian expectations from his scheme; but he would honestly buy up the rights of the existing landlords, while Mr. George would merely confiscate them by excep-

tional taxation. This difference broke up the Land Nationalization Society in 1883, and the partisans of Mr. George's view seceded and formed themselves into the English Land Restoration League, which has established branches in most of the larger towns, and has now probably a more numerous membership than the original society. It is especially strong in Scotland, and ran three candidates for Glasgow at the last general election; but the three only got 2,222 votes between them, out of a total of 23,800 polled in the three divisions they contested. The ideas of the League have a certain vogue among the Highland crofters, where they blend very readily with the universal peasant doctrines that the earth is the Lord's, and that all other lords should be abolished.

In Scotland there are a good many branches of the two regular socialist organizations. The Scottish Emancipation League joined the Social Democratic Federation, and the Scottish Land and Labour League joined the Socialist League; but it is remarkable that there is no socialism in Ireland, except in a small branch of the Socialist League in Dublin, called the Dublin Socialist Club, although it seems a miracle for a country seething for centuries with political and economic discontent to escape such a visitation. Probably, as with the Poles, the minds of the discontented are already too much pre-occupied with other political and social solutions. The land nationalization views of Mr. George are, of course, spread widely through the influence of Mr. Michael Davitt in the agrarian movement of Ireland.

But while the recent wave of socialism has passed over discontented Ireland, and left it, like Gideon's fleece, quite dry, much more susceptibility has been shown by those parts of the Empire where the lot of labour is, perhaps in all the world, the happiest—the Australian colonies. Here, too, the susceptibility has been created to some extent by the land questions of the country. Mr. George, in his recent lecturing tour through these colonies, met with a warm welcome in almost all the towns he visited, made many converts to his ideas, and gave rise to a considerable agitation. In South Australia three of his disciples were returned to the Legislature in 1887, and their views are supported by several newspapers in Adelaide.

In a new colony the argument for keeping the land in the hands of the State has in some respects more point and force than in an old. Mr. George's disciples in Sydney publish a paper called the *Land Nationalizer*, and his views are advocated by one of the most influential papers in the colony, the *Bulletin* of Sydney. In New Zealand a bill has actually been brought in for the purpose of nationalizing the land. But apart from Mr. George altogether, there is a flourishing Australian Socialist League in Sydney, established in 1887, and with a membership of 7,000 in 1888. It has a journal called the *Radical*, and keeps up a busy agitation with lectures and discussions. As a method of temporary policy it promotes associations of labourers for the purpose of undertaking Government and municipal contracts. In Melbourne, again, people are more advanced. They have no socialist organization, but they have an anarchist club, established in 1886 for the purpose of aiding social reform on the lines of liberty, equality, and fraternity. It circulates the works of Proudhon, Tucker, the Boston anarchist, Bakunin, and Mr. Auberon Herbert; and it publishes a newspaper called *Honesty*, which appeared at first once a month, and latterly once in two months. The ideas of the party are not easy to ascertain exactly from the pages of their journal. The State is, of course, the enemy, and land monopoly is one of the State's worst creations; but some of the writers advocate land nationalization, while others propound a scheme of what they call "constructive anarchy," under which every man is to own the land he occupies. They have started a new form of co-operative store, a kind of mutual production society, whose members bind themselves to produce for one another, and exchange their products for the bare cost of production; and they have started a co-operative home, in which the members get better and cheaper accommodation through their combination. Melbourne anarchism, however, has no harm in it: it is a mere spark of eccentric speculation. The working class of Melbourne is probably the most powerful and the best organized working class in the world. In their Trades Hall they have had for thirty years a workmen's chamber of their own creating like what German socialists are vainly asking from the State, and much more effective, because more independent. They have

secured the eight hours day to fifty-two different trades without receiving a finger's help from the law, and without losing a shilling of wages. They have, moreover, the voting power in their own hands. In fact, they are, as nearly as any working class can be, in the precise condition socialists require for revolutionary action. They are entirely dependent on a handful of capitalists for their employment, and they have the whole power of the State substantially under their own control; so that they might, if they chose, march to the Parliament House with a red flag, and instal the socialist State to-morrow. But they do not choose. They propose no change in the present industrial system, and make surprisingly few demands of any sort upon the State. The world goes very well with them as it is, and they will not risk the comforts they really enjoy to try any sweeping and problematical solutions. While the socialist movement, in the countries where it is most advanced and powerful, seems settling into a practical labour movement, the labour movement, in the countries where it is most advanced and powerful, is steering furthest and clearest from socialism.

CHAPTER III.

FERDINAND LASSALLE.

GERMAN socialism is—it is hardly too much to say—the creation of Ferdinand Lassalle. Of course there were socialists in Germany before Lassalle. There are socialists everywhere. A certain rudimentary socialism is always in latent circulation in what may be called the "natural heart" of society. The secret clubs of China—"the fraternal leagues of heaven and earth"—who argue that the world is iniquitously arranged, that the rich are too rich, and the poor too poor, and that the wealth of the great has all accrued from the sweat of the masses, only give a formal expression to ideas that are probably never far from any one of us who have to work hard and earn little, and they merely formulate them less systematically than Marx and his disciples do in their theories of the exploitation of labour by capital. Socialism is thus so much in the common air we all breathe, that there is force in the view that the thing to account for is not so much the presence of socialism, at any time, as its absence. Accordingly it had frequently appeared in Germany under various forms before Lassalle. Fichte—to go no farther back—had taught it from the standpoint of the speculative philosopher and philanthropist. Schleiermacher, it may be remembered, was brought up in a religious community that practised it. Weitling, with some allies, preached it in a pithless and hazy way as a gospel to the poor, and, finding little encouragement, went to America, to work it out experimentally there. The Young Hegelians made it part of their philosophic creed. The Silesian weavers, superseded by machinery, and perishing for want of work, raised it as a wild inarticulate cry for bread, and dignified it with the sanction of tears and blood. And Karl Marx and Friedrich Engels, in 1848, summoned the proletariat of the

whole world to make it the aim and instrument of a universal revolution. But it was Lassalle who first really brought it from the clouds and made it a living historical force in the common politics of the day. The late eminent Professor Lorenz von Stein, of Vienna, said, in 1842, in his acute and thoughtful work on French Communism, that Germany, unlike France, and particularly England, had nothing to fear from socialism, because Germany had no proletariat to speak of. Yet, in twenty years, we find Germany become suddenly the theatre of the most important and formidable embodiment of socialism that has anywhere appeared. Important and formidable, for two reasons: it founds its doctrines, as socialism has never done before, on a thoroughly scientific investigation of the facts, and criticism of the principles, of the present industrial *régime*, and it seeks to carry them out by means of a political organization, growing singularly in strength, and based on the class interests of the great majority of the people.

There were, of course, predisposing conditions for this outburst. A German proletariat had come into being since Stein wrote, and though still much smaller, in the aggregate, than the English, it was perhaps really at this time the more plethoric and distressed of the two. For the condition of the English working-classes had been greatly relieved by emigration, by factory legislation, by trades unions, whereas in some of these directions nothing at all, and in others only the faintest beginnings, had as yet been effected in Germany. Then, the stir of big political movement and anticipation was on men's minds. The future of the German nation, its unity, its freedom, its development, were practical questions of the hour. The nationality principle is essentially democratic, and the aspirations for German unity carried with them in every one of the States strong movements for the extension of popular freedom and power. This long spasmodic battle for liberty in Germany, which began with the century, and remains still unsettled, this long series of revolts and concessions and overridings, and hopes flattered and again deferred, this long uncertain babble of *Gross-Deutsch* and *Klein-Deutsch*, and Centralist and Federalist and Particularist, of "Gotha ideas" and "new eras" and "blood and iron,"

had prepared the public ear for bold political solutions, and has entered from the first as an active and not unimportant factor in the socialist agitation. Then, again, the general political habits and training of the people must be taken into account. Socialistic ideas would find a readier vogue in Germany than in this country, because the people are less rigidly practical, because they have been less used to the sifting exercise of free discussion, and because they have always seen the State doing a great deal for them which they could do better for themselves, and are consequently apt to visit the State with blame and claims for which it ought not to be made responsible. Then the decline of religious belief in Germany, which the Church herself did much to produce when she was rationalistic, without being able to undo it since she has become orthodox, must certainly have impaired the patience with which the poor endured the miseries of their lot, when they still entertained the hope of exchanging it in a few short years for a happier and an everlasting one hereafter.

All these circumstances undoubtedly favoured the success of the socialistic agitation at the period it started; but, when everything is said, it is still doubtful whether German socialism would ever have come into being but for Lassalle. Its fermenting principle has been less want than positive ideas. This is shown by the fact that it was at first received among the German working classes with an apathy that almost disheartened Lassalle; and that it is now zealously propagated by them as a cause, as an evangel, even after they have emigrated to America, where their circumstances are comparatively comfortable. The ideas it contains Lassalle found for the most part ready to his hand. The germs of them may be discovered in the writings of Proudhon, in the projects of Louis Blanc. Some of them he acknowledges he owes to Rodbertus, others to Karl Marx, but it was in passing through his mind they first acquired the stamp and ring that made them current coin. Contentions about the priority of publishing this bit or that bit of an idea, especially if the idea be false, need not concern us; and indeed Lassalle makes no claim to originality in the economical field. He was not so much an inventive as a critical thinker, and a critical thinker

of almost the first rank, with a dialectic power, and a clear, vivid exposition that have seldom been excelled. Any originality that is claimed for him lies in the region of interpretation of previous thought, and that in the departments of metaphyics and jurisprudence, not of economics.

The peculiarity of his mind was that it hungered with almost equal intensity for profound study and for exciting action, and that he had the gifts as well as the impulses for both. As he said of Heraclitus the Dark, whom he spent some of his best years in expounding, "there was storm in his nature." Heine, who knew and loved him well as a young man in Paris, and indeed found his society so delightful during his last years of haggard suffering, that he said, "No one has ever done so much for me, and when I receive letters from you, courage rises in me, and I feel better,"—Heine characterizes him very truly in a letter to Varnhagen von Ense. He says he was struck with astonishment at the combination of qualities Lassalle displayed—the union of so much intellectual power, deep learning, rich exposition on the one hand, with so much energy of will and capacity for action on the other. With all this admiration, however, he seems unable to regard him without misgiving, for his audacious confidence, checked by no thought of renunciation or tremor of modesty, amazed him as much as his ability. In this respect he says Lassalle is a genuine son of the modern time, to which Varnhagen and himself had acted in a way as the midwives, but on which they could only look like the hen that hatched duck's eggs and shuddered to see how her brood took to the water and swam about delighted. Heine here puts his finger on the secret of his young friend's failure. Lassalle would have been a great man if he had more of the ordinary restraining perceptions, but he had neither fear nor awe, nor even—in spite of his vein of satire—a wholesome sense of the ridiculous,—in this last respect resembling, if we believe Carlyle, all Jews. Chivalrous, susceptible, with a genuine feeling for the poor man's case, and a genuine enthusiasm for social reform, a warm friend, a vindictive enemy, full of ambition both of the nobler and the more vulgar type, beset with an importunate vanity and given to primitive lusts; generous qualities and churlish throve and

strove in him side by side, and governed or misgoverned a will to which opposition was almost a native and necessary element, and which yet—or perhaps rather, therefore—brooked no check. "Ferdinand Lassalle, thinker and fighter," is the simple epitaph Professor Boeckh put on his tomb. Thinking and fighting were the craving of his nature; thinking and fighting were the warp and woof of his actual career, mingled indeed with threads of more spurious fibre. The philosophical thinker and the political agitator are parts rarely combined in one person, but to these Lassalle added yet a third, which seems to agree with neither. He was a fashionable dandy, noted for his dress, for his dinners, and, it must be added, for his addiction to pleasure—a man apparently with little of that solidarity in his own being which he sought to introduce into society at large, and yet his public career possesses an undoubted unity. It is a mistake to represent him, as Mr. L. Montefiore has done, as a *savan* who turned politician as if by accident and against his will, for the stir of politics was as essential to him as the absorption of study. It is a greater mistake, though a more common one, to represent him as having become a revolutionary agitator because no other political career was open to him. He felt himself, it is said, like a Cæsar out of employ, disqualified for all legitimate politics by his previous life, and he determined, if he could not bend the gods, that he would move Acheron. But so early as 1848, when yet but a lad of twenty-three, he was tried for sedition, and he then declared boldly in his defence that he was a socialist democrat, and that he was "revolutionary on principle." This he remained throughout. He laughs at those who cannot hear the word revolution without a shudder. "Revolution," he says, "means merely transformation, and is accomplished when an entirely new principle is—either with force or without it—put in the place of an existing state of things. Reform, on the other hand, is when the principle of the existing state of things is continued, and only developed to more logical or just consequences. The means do not signify. A reform may be carried out by bloodshed, and a revolution in the profoundest tranquillity. The Peasants' War was an attempt to introduce reform by arms, the inven-

tion of the spinning-jenny wrought a peaceful revolution." In this sense he was "revolutionary on principle." His thought was revolutionary, and it was the lessons he learnt as a philosopher that he applied and pled for an agitator. His thinking and his fighting belonged together like powder and shot. His Hegelianism, which he adopted as a youth at college, is from first to last the continuous source both of impetus and direction over his public career. Young Germany was Hegelian and revolutionary at the time he went to the University (1842), and with the impressionable Lassalle, then a youth of seventeen, Hegelianism became a passion. He wrote articles on it in University magazines, preached it right and left in the *cafés* and taverns, and resolved to make philosophy his profession and establish himself as a *privat Docent* at Berlin University. It was the first sovereign intellectual influence he came under, and it ruled his spirit to the end. In adopting it, his intellectual manhood may be said to have opened with a revolution, for his family were strict Jews, and he was brought up in their religion.

Lassalle was born in 1825 at Breslau, where his father was a wholesale dealer. He was educated at the Universities of Breslau and Berlin, and at the latter city saw, through the Mendelssohns, a good deal of the best literary society there, and made the acquaintance, among others, of Alexander von Humboldt, who used to call him a *Wunderkind*. On finishing his curriculum, he went for a time to Paris, and formed there a close friendship with H. Heine, who was an old acquaintance of his family. He meant to qualify himself as *privat Docent* when he returned, but was diverted from his purpose by the task of redressing a woman's wrongs, into which he flew with the romantic enterprise of a knight-errant, and which he carried, through years of patient and zealous labour, to a successful issue. The Countess Hatzfeldt had been married when a girl of sixteen to a cousin of her own, one of the great nobles of Germany; but the marriage turned out most unhappily after a few years, and she was obliged, on account of the maltreatment she suffered, to live apart from her husband. His persecution followed her into her separation. He took child after child from her, and was now seeking to take the last she had left, her youngest

son. He allowed her very scanty and irregular support, while he lavished his money on mistresses, and was, at this very moment, settling on one of them an annuity of £1,000. This state of things had continued for twenty years, and the Countess's own relations had, for family reasons, always declined to take up her case. Lassalle, who had made her acquaintance in Berlin, was profoundly touched by her story, and felt that she was suffering an intolerable wrong, which society permitted only because she was a woman, and her husband a lord. Though not a lawyer, he resolved to undertake her case, and after carrying the suit before thirty-six different courts, during a period of eight years, he at length procured for her a divorce in 1851, and a princely fortune in 1854, from which she rewarded him with a considerable annuity for his exertions. Lassalle's connection with this case not unnaturally gave rise to sinister construction. It was supposed he must have been in love with the Countess, and wanted to marry her, but this was disproved by the event. Darker insinuations were made, but had there been truth in them, it could not have escaped the spies the Count sent to watch him, and the servants the Count bribed to inform on him. Chivalry, vanity, and temerity at the season of life when all three qualities are at their height, account sufficiently for his whole conduct, and I see no reason to doubt the explanation he himself gives of it. "Her family," he states, "were silent, but it is said when men keep silence the stones will speak. When every human right is violated, when even the voice of blood is mute, and helpless man is forsaken by his born protectors, there then rises with right man's first and last relation—man. You have all read with emotion the monstrous history of the unhappy Duchess of Praslin. Who is there among you that would not have gone to the death to defend her? Well, gentlemen, I said to myself, here is Praslin ten times over. What is the sharp death-agony of an hour compared with the pangs of death protracted over twenty years? What are the wounds a knife inflicts compared with the slow murder dispensed with refined cruelty throughout a being's whole existence? What are they compared with the immense woe of this woman, every right of whose life has been trampled under foot, day after day,

for twenty years, and whom they have first tried to cover with contempt, that they might then the more securely overwhelm her with punishment? . . . The difficulties, the sacrifices, the dangers did not deter me. I determined to meet false appearances with the truth, to meet rank with right, to meet the power of money with the power of mind. But if I had known what infamous calumnies I should have to encounter, how people turned the purest motives into their contraries, and what ready credence they gave to the most wretched lies—well, I hope my purpose would not have been changed, but it would have cost me a severe and bitter struggle." There seems almost something unmodern in the whole circumstances of this case, both in the oppression the victim endured, and in the manner of her rescue.

In the course of this suit occurred the robbery of Baroness von Meyerdorff's *cassette*, on which so much has been said. The Baroness was the person already mentioned on whom Count Hatzfeldt bestowed the annuity of £1,000. The Countess, on hearing of this settlement, went straight to her husband, accompanied by a clergyman, and insisted upon him cancelling it, in justice to his youngest son, whom it would have impoverished. The Count at first promised to do so, but after her departure, refused, and the Baroness set out for Aix to get her bond effectually secured. Lassalle suspected the object of her journey, and said to the Countess, in the presence of two young friends, Could we not obtain possession of this bond? No sooner said than done. The two young men started for Cologne, and one of them stole the Baroness's *cassette*, containing the veritable deed, in her hotel, and gave it to the other. They and Lassalle were all three successively tried for their part in this crime. Oppenheim, who actually stole the *cassette*, was acquitted; Mendelssohn, who only received it, was sent to prison; and Lassalle, who certainly suggested the deed, was found guilty by the jury, but acquitted by the judges. Moral complicity of some sort was clear, but it did not amount to a legal crime. Our interest with the transaction is merely to discover the light it reflects on the character of the man. It was a rash, foolish, and lawless freak, but of course the ordinary motives of the robber were absent. The theft of the

cassette, however, was a transaction which his enemies never suffered to be forgotten.

The theft of the *cassette* occurred in 1846; Lassalle was tried for it in 1848, and was no sooner released than he fell into the hands of justice on a much more serious charge. The dissolution of the first Prussian National Assembly in 1848, and the gift of a Constitution by direct royal decree, had excited bitter disappointment and opposition over the whole country. There was a general agitation for combining to stop supplies by refusing to pay taxes, in order thus "to meet force with force," and this agitation was particularly active in the Rhine provinces, where democratic views had found much favour. Lassalle even planned an insurrection, and urged the citizens of Dusseldorf to armed resistance; but the Prussian Government promptly intervened, placed the town under a state of siege, and threw Lassalle into jail. He was tried in 1849 for treason, and acquitted by the jury, but was immediately afterwards brought before a correctional tribunal on the minor charge of resisting officers of the police, and sent to prison for six months. It was in his speech at the former of these trials that he declared himself a partisan of the Socialist Democratic Republic, and claimed for every citizen the right and duty of active resistance to the State when necessary. He had nothing but scorn to pour on the passive resistance policy of the Parliament. "Passive resistance is a contradiction in itself. It is like Lichtenberg's knife, without blade, and without handle, or like the fleece which one must wash without wetting. It is mere inward ill-will without the outward deed. The Crown confiscates the people's freedom; and the Prussian National Assembly, for the people's protection, declares ill-will; it would be unintelligible how the commonest logic should have allowed a legislative assembly to cover itself with such incomparable ridicule if it were not too intelligible." These are bold words. He felt himself standing on a principle and representing a cause; and so he went into prison, he tells us, with as light a heart as he would have gone to a ball; and when he heard that his sister had petitioned for his pardon, he wrote instantly and publicly disclaimed her letter.

All these trials had brought Lassalle into considerable

notoriety, not unmingled with a due recognition of his undoubted *verve*, eloquence, and brilliancy. One effect of them was that he was forbidden to come to Berlin. This prohibition was founded, of course, on his seditious work at Dusseldorf, but is believed to have been instigated and kept up by the influence of the Hatzfeldt family. Lassalle felt it a sore privation, for his ambitions and hopes all centred in Berlin. After various ineffectual attempts to obtain permission, he arrived in the capital one day in 1857 disguised as a waggoner, and through the personal intercession of Alexander von Humboldt with the king, was at length suffered to remain. His "Heraclitus" had just appeared, and at once secured him a position in literary circles. One of his first productions after his return to Berlin was a pamphlet on "The Italian War and the Mission of Prussia; a Voice from the Democracy," which shows that his political prosecutions had not soured him against Prussia. His argument is that freedom and democracy must in Germany, as in Italy, be first preceded by unity, and that the only power capable of giving unity to Germany was Prussia, as to Italy, Piedmont. He had more of the political mind than most revolutionaries and doctrinaires, and knew that the better might be made the enemy of the good, and that ideals could only be carried out gradually, and by temporary compromises. He was monarchical for the present, therefore, no doubt because he thought the monarchy to be for the time the best and shortest road to the democratic republic. His friend Rodbertus said there was an esoteric and an exoteric Lassalle. That may be said of all politicians. Compromise is of the essence of their work.

During the next few years Lassalle's literary activity was considerable. Besides a tragedy of no merit ("Franz von Sickingen," 1859) and various pamphlets or lectures on Fichte, on Lessing, on the Constitution, on Might and Right, he published in 1861 the most important work he has left us, his "System of Acquired Rights," and in 1862 a satirical commentary on Julian Schmidt's "History of German Literature," which excited much attention and amusement at the time. His "System of Acquired Rights" already contains the germs of his socialist views, and his pamphlet on the Constitution,

which appeared when the "new era" ended and the era of Bismarck began, is written to disparage the Constitutionalism of modern Liberals. A paper constitution was a thing of no consequence; it was merely declarative, not creative; the thing of real account was the distribution of power as it existed in actual fact. The king and army were powers, the court and nobility were powers, the populace was a power. Society was governed by the relative strength of these powers, as it existed in reality and not by the paper constitution that merely chronicled it. Right is regarded as merely declarative of might. It is thus easy to see why he should have more sympathy with the policy of Bismarck than with the Liberals; and later in the same year he expounded his own political position very completely in a lecture he delivered to a Working Men's Society in Berlin, on "The Connection between the Present Epoch of History and the Idea of the Working Class." This lecture, to which I shall again revert, was an epoch in his own career. It led to a second Government prosecution, and a second imprisonment for political reasons; and it and the prosecution together led to his receiving an invitation to address a General Working Men's Congress at Leipzig, in February, 1863, to which he responded by a letter, sketching the political programme of the working class, which was certainly the first step in the socialist movement.

Attention was already being engaged on the work of industrial amelioration. The Progressist party, then including the present National Liberals, had, under the lead of Schultze-Delitzsch, been promoting trades unions and co-operation in an experimental way, and the working classes themselves were beginning to think of taking more concerted action for their own improvement. The Leipzig Congress was projected by a circle of working men, who considered the Schultze-Delitzsch schemes inadequate to meet the case. This was exactly Lassalle's view. He begins his letter by telling the working men that if all they wanted was to mitigate some of the positive evils of their lot, then the Schultze-Delitzsch unions, savings banks, and sick funds were quite sufficient, and there was no need of thinking of anything more. But if their aim was to elevate the *normal* condition of their class,

then more drastic remedies were requisite; and, in the first instance, a political agitation was indispensable. The Leipzig working men had discussed the question of their relation to politics at a previous congress a few months before, and had been divided between abstaining from politics altogether, and supporting the Progressist party. Lassalle disapproved of both these courses. They could never achieve the elevation they desired till they got universal suffrage, and they would never get universal suffrage by backing the Progressists who were opposed to it. He then explains to them how their normal condition is permanently depressed at present by the essential laws of the existing economic *régime*, especially by "the iron and cruel law of necessary wages." The only real cure was co-operative production, the substitution of associated labour for wage labour; for it was only so the operation of this tyrannical law of wages could be escaped. Now co-operative production, to be of any effective extent, must be introduced by State help and on State credit. The State gave advances to start railways, to develop agriculture, to promote manufactures, and nobody called it socialism to do so. Why, then, should people cry socialism if the State did a similar service to the great working class, who were, in fact, not a class, but the State itself. 96½ per cent. of the population were ground down by "the iron law," and could not possibly lift themselves above it by their own power. They must ask the State to help them, for they were themselves the State, and the help of the State was no more a superseding of their own self-help than reaching a man a ladder superseded his own climbing. State help was but self-help's means. Now these State advances could not be expected till the working class acquired political power by universal suffrage. Their first duty was therefore to organize themselves and agitate for universal suffrage; for universal suffrage was a question of the stomach.

The reception his letter met with at first was most discouraging. The newspapers with one consent condemned it, except a Feudalist organ here and there who saw in it an instrument for damaging the Liberals. What seemed more ominous was the opposition of the working men themselves. The Leipzig Committee to whom it was addressed did indeed

approve of it, and individual voices were raised in its favour elsewhere, but in Berlin the working men's clubs rejected it with decided warmth, and all over the country one working men's club after another declared against it. Leipzig was the only place in which his words seemed to find any echo, and he went there two months later and addressed a meeting at which only 7 out of 1,300 voted against him. With this encouragement he resolved to go forward, and founded, on the 23rd of May, 1863, the General Working Men's Association for the promotion of universal suffrage by peaceful agitation, after the model of the English Anti-Corn Law League. He immediately threw himself with unsparing energy into the development of this organization. He passed from place to place, delivering speeches, establishing branches; he started newspapers, wrote pamphlets, and even larger works, published tracts by Rodbertus, songs by Herwegh, romances by Von Schweitzer. But it was uphill work. South Germany was evidently dead to his ideas, and even among those who followed him in the North there were but few who really understood his doctrines or concurred in his methods. Some were for more "heroic" procedure, for raising fighting corps to free Poland, to free Schleswig-Holstein, to free oppressed nationalities anywhere. Many were perfectly impracticable persons who knew neither why exactly they had come together, nor where exactly they would like to go. There were constant quarrels and rivalries and jealousies among them, and he is said to have shown remarkable tact and patience, and a genuine governing faculty in dealing with them. Lassalle's hope was to obtain a membership of 100,000: with a smaller number nothing could be done, but with 100,000 the movement would be a power. In August, 1863, he had only enrolled 1,000 after three months' energetic labour, which, he said, "would have produced colossal results among a people like the French." He was intensely disappointed, and asked, "When will this foolish people cast aside their lethargy?" but meanwhile repelled the suggestion of the secretary of the organization that it should be at once dissolved. In August, 1864, another year's strenuous work had raised their numbers only to 4,610, and Lassalle was completely disenchanted, and wrote

Countess Hatzfeldt from Switzerland, shortly before his death, that he was continuing President of the Association much against his will, for he was now tired of politics, which was mere child's play if one had not power. He seems to have been convinced that the movement was a failure, and would never become a force in the State. Yet he was wrong; his words had really taken fire among the working classes, and kindled a movement which, in its curious history, has shown the remarkable power of spreading faster with the checks it encounters. It seems to have profited, not merely from political measures of repression, but even from the internal dissensions and divisions of its own adherents, and some persons tell us that it was first stimulated into decided vigour by the fatal event which might have been expected to crush it—the sudden and tragical death of its chief.

In the end of July, 1864, Lassalle went to Switzerland ostensibly for the Righi whey cure, but really to make the acquaintance of Herr von Dönnigsen, Bavarian Envoy at Berne, whose daughter he had known in Berlin, and wished to obtain in marriage. It is one of the fatalities that entangled this man's life in strange contradictions, that exactly he, a *persona ingratissima* to Court circles, their very arch-enemy, as they believed, should have become bound by deep mutual attachment with the daughter of exactly a German diplomatist, the courtliest of the courtly, a Conservative seven times refined. They certainly cherished for one another a sincere, and latterly a passionate affection, and they seem to have been well fitted for each other. Helena von Dönnigsen was a bright, keen-witted, eccentric, adventurous young woman of twenty-five, and so like Lassalle, even in appearance, that when she was acting a man's part, years afterwards (in 1874), in some amateur performance in the theatre of Breslau, Lassalle's native town, many of the audience said, here was Lassalle again as he was when a boy. Learning from a common friend in Berlin that Lassalle was at the Righi, she made a visit to some friends in Berne, and soon after accompanied them on an excursion to that "popular" mountain. She inquired for Lassalle at the hotel, and he joined the party to the summit. She knew her parents would be opposed to the match, but felt certain that

her lover, with his gifts and charms, would be able to win them over, and it was accordingly agreed that when she returned to Geneva, Lassalle should go there too, and press his suit in person. The parents, however, were inexorable, and refused to see him; and the young lady in despair fled from her father's house to her lover's lodging, and urged him to elope with her. Lassalle calmly led her back to her father's roof, with a control which some writers think quite inexplicable in him, but which was probably due to his still believing that he would be able to talk the parents round if he got the chance, and to his desire to try constitutional means before resorting to revolutionary. Helena was locked in her room for days alone with her excited brain and panting heart. For days, father, mother, sister, brother, all came and laid before her what ruin she was bringing on the family for a mere selfish whim of her own. If she married a man so objectionable to people in power, her father would be obliged to resign his post, her brother could never look for one, and her sister, who had just been engaged to a Count, would, of course, have to give up her engagement. She was in despair, but ultimately submitted passively to write to Lassalle, desiring him to consider the matter ended, and submitted equally passively (for she informs us herself) to accept the hand of Herr von Racowitza, a young Wallachian Boyar, whom she had indeed been previously engaged to, and sincerely liked and respected, without in the eminent sense loving him. Lassalle had meanwhile wrought himself into a fury of excitement. Enraged by her parents' opposition, enraged still more by their refusal even to treat with him, enraged above all by his belief that their daughter was being illegitimately constrained, he wrote here, wrote there, tried to get the foreign minister at Munich to interfere, to get Bishop Ketteler to use his influence, promised even to turn Catholic to please the Dönnigsens, forgetting that they were Protestants. All in vain. At last two of his friends waited by appointment on Herr von Dönnigsen, and heard from Helena's own lips that she was to be married to the Boyar, and wished the subject no more mentioned. She now tells us that she did this in sheer weariness of mind, and with a confused hope that somehow or other the present

storm would blow past, and she might have her Lassalle after all. Lassalle, however, was overcome with chagrin; and though he always held that a democrat should not fight duels, and had got Robespierre's stick, which he usually carried, as a present for having declined one, he now sent a challenge both to the father and the bridegroom. The latter accepted. The duel was fought. Lassalle was fatally wounded, and died two days after, on the 31st August, 1864, at the age of 39. Helena married Herr von Racowitza shortly afterwards, but he was already seized with consumption, and she says she found great comfort, after the tumult and excitement of the Lassalle episode, in nursing him during the few months he lived after their marriage.

The body was sent back to Germany, after funeral orations from revolutionists of all countries and colours, and the Countess Hatzfeldt had made arrangements for similar funeral celebrations at every halting place along the route to Berlin, where she meant it to be buried, but at Cologne it was intercepted by the police on behalf of the Lassalle family, and carried quietly to Breslau, where, after life's fitful fever, he was laid silently with his fathers in the Jewish burying-ground of his native place. Fate, however, had not even yet done with him. It followed him beyond the tomb to throw one more element of the bizarre into his strangely compounded history. Lest the death of the leader should prove fatal to the cause, the Committee of the General Working Men's Association determined to turn it, if possible, into a source of strength, as B. Becker, his successor in the president's chair, informs us, "by carrying it into the domain of faith." Lassalle was not dead, but only translated to a higher and surer leadership. A Lassalle *cultus* was instituted, and Becker says that many a German working man believed that he died for them, and that he was yet to come again to save them. This singular apotheosis, which is neither creditable to the honesty of the leaders of the socialist movement, nor to the intelligence of its rank and file, was kept up by periodical celebrations among those of the German socialists who are generally known as the orthodox Lassalleans, down, at least, to the time of the Anti-Socialist Law of 1878.

Lassalle's doctrines are mainly contained in his lecture on "The Present Age and the Idea of the Working Class," which he delivered in 1862, and published in 1863, under the title of the "Working Men's Programme," and in his "Herr Bastiat-Schultze von Delitzsch, der Oekonomische Julian; oder Capital und Arbeit," Berlin, 1864.

In the "Working Men's Programme," the question of the emancipation of the working class is approached and contemplated from the standpoint of the Hegelian philosophy of history. There are, it declares, three successive stages of evolution in modern history. First, the period before 1789, the feudal period, when all public power was vested in, exercised by, and employed for the benefit of, the landed class. It was a period of privileges and exemptions which were enjoyed by the landed interests exclusively, and there prevailed a strong social contempt for all labour and employment not connected with the land. Second, the period 1789–1848, the *bourgeois* period, in which personal estate received equal rights and recognition with real, but in which political power was still based on property qualifications, and legislation was governed by the interests of the *bourgeoisie*. Third, the period since 1848, the age of the working class, which is, however, only yet struggling to the birth and to legal recognition. The characteristic of this new period is, that it will for the first time give labour its rights, and that it will be dominated by the ideas, aspirations, and interests of the great labouring class. Their time has already come, and the *bourgeois* age is already past in fact, though it still lingers in law. It is always so. The feudal period had in reality come to an end before the Revolution. A revolution is always declarative and never creative. It takes place first in the heart of society, and is only sealed and ratified by the outbreak. "It is impossible to make a revolution, it is possible only to give external legal sanction and effect to a revolution already contained in the actual circumstances of society. . . . To seek to make a revolution is the folly of immature men who have no consideration for the laws of history; and for the same reason it is immature and puerile to try to stem a revolution that has already completed itself in the interior of society. If a revolu-

tion exists in fact, it cannot possibly be prevented from ultimately existing in law." It is idle, too, to reproach those who desire to effect this transition with being revolutionary. They are merely midwives who assist in bringing to the birth a future with which society is already pregnant. Now, it is this midwife service that Lassalle believed the working class at present required. He says of the fourth estate what Sieyès said of the third, What is the fourth estate? Nothing? What ought the fourth estate to be? Everything. And it ought to be so in law, because it is so already in fact. The *bourgeoisie*, in overthrowing the privileges of the feudal class, had almost immediately become a privileged class itself. At so early a period of the revolution as the 3rd of September, 1791, a distinction was introduced between active and passive citizens. The active citizen was the citizen who paid direct taxes, and had therefore a right to vote; the passive citizen was he who paid no direct taxes, and had no right to vote. The effect of this distinction was to exclude the whole labouring classes from the franchise; and under the July Monarchy, while the real nation consisted of some thirty millions, the legal nation (*pays légal*), the people legally possessed of political rights, amounted to no more than 200,000, whom the Government found it only too easy to manage and corrupt. The revolution of 1848 was simply a revolt against this injustice. It was a revolt of the fourth estate against the privileges of the third, as the first revolution was a revolt of the third against the privileges of the other two. Nor were the privileges which the *bourgeoisie* had contrived to acquire confined to political rights alone; they included also fiscal exemptions. According to the latest statistical returns, it appeared that five-sixths of the revenue of Prussia came from indirect taxation, and indirect taxes were always taken disproportionately out of the pockets of the working class. A man might be twenty times richer than another, but he did not therefore consume twenty times the amount of bread, salt, or beer. Taxation ought to be in ratio of means, and indirect taxation—so much favoured by the *bourgeoisie*—was simply an expedient for saving the rich at the expense of the poor.

Now, the revolution of 1848 was a fight for the emancipation of the working class from this unequal distribution of political rights and burdens. The working class was really not a class at all, but was the nation; and the aim of the State should be their amelioration. "What is the State?" asks Lassalle. "You are the State," he replies. "You are ninety-six per cent. of the population. All political power ought to be of you, and through you, and for you; and your good and amelioration ought to be the aim of the State. It ought to be so, because your good is not a class interest, but is the national interest." The fourth estate differs from the feudal interest, and differs from the *bourgeoisie*, not merely in that it is not a privileged class, but in that it cannot possibly become one. It cannot degenerate, as the *bourgeoisie* had done, into a privileged and exclusive caste; because, consisting as it does of the great body of the people, its class interest and the common good are identical, or at least harmonious. "Your affair is the affair of mankind; your personal interest moves and beats with the pulse of history, with the living principle of moral development."

Such then is the idea of the working class, which is, or is destined to be, the ruling principle of society in the present era of the world. Its supremacy will have important consequences, both ethical and political. Ethically, the working class is less selfish than the classes above it, simply because it has no exclusive privileges to maintain. The necessity of maintaining privileges always develops an assertion of personal interest in exact proportion to the amount of privilege to be defended, and that is why the selfishness of a class constantly exceeds the individual selfishness of the members that compose it. Now under the happier *régime* of the idea of labour, there would be no exclusive interests or privileges, and therefore less selfishness. Adam would delve and Eve would spin, and, consciously or unconsciously, each would work more for the whole, and the whole would work more for each. Politically, too, the change would be remarkable and beneficial. The working class has a quite different idea of the State and its aim from the *bourgeoisie*. The latter see no other use in the State but to protect personal freedom and property. The State is a mere

night-watchman, and, if there were no thieves and robbers, would be a superfluity; its occupation would be gone. Its whole duty is exhausted when it guarantees to every individual the unimpeded exercise of his activity as far as consistent with the like right of his neighbours. Even from its own point of view this *bourgeois* theory of the State fails to effect its purpose. Instead of securing equality of freedom, it only secures equality of right to freedom. If all men were equal in fact, this might answer well enough, but since they are not, the result is simply to place the weak at the mercy of the powerful. Now the working class have an entirely different view of the State's mission from this. They say the protection of an equality of right to freedom is an insufficient aim for the State in a morally ordered community. It ought to be supplemented by the securing of solidarity of interests and community and reciprocity of development. History all along is an incessant struggle with Nature, a victory over misery, ignorance, poverty, powerlessness — *i.e.*, over unfreedom, thraldom, restrictions of all kinds. The perpetual conquest over these restrictions is the development of freedom, is the growth of culture. Now this is never effected by each man for himself. It is the function of the State to do it. The State is the union of individuals into a moral whole which multiplies a millionfold the aggregate of the powers of each. The end and function of the State is not merely to guard freedom, but to develop it; to put the individuals who compose it in a position to attain and maintain such objects, such levels of existence, such stages of culture, power, and freedom, as they would have been incapable of reaching by their own individual efforts alone. The State is the great agency for guiding and training the human race to positive and progressive development; in other words, for bringing human destiny (*i.e.*, the culture of which man as man is susceptible) to real shape and form in actual existence. Not freedom, but development is now the keynote. The State must take a positive part, proportioned to its immense capacity, in the great work which, as he has said, constitutes history, and must forward man's progressive conquest over misery, ignorance, poverty, and restrictions of every sort. This is the purpose, the essence,

the moral nature of the State, which she can never entirely abrogate, without ceasing to be, and which she has indeed always been obliged, by the very force of things, more or less to fulfil, often without her conscious consent, and sometimes in spite of the opposition of her leaders. In a word, the State must, by the union of all, help each to his full development. This was the earnest and noble idea of 1848. It is the idea of the new age, the age of labour, and it cannot fail to have a most important and beneficial bearing on the course of politics and legislation whenever it is permitted to have free operation in that sphere by means of universal and direct suffrage.

This exposition of Lassalle's teaching in his "Working Men's Programme" already furnishes us with the transition to his economic views. Every age of the world, he held, has its own ruling idea. The idea of the working class is the ruling idea of the new epoch we have now entered on, and that idea implies that every man is entitled to a *menschenwürdiges Dasein*, to an existence worthy of his moral destiny, and that the State is bound to make this a governing consideration in its legislative and executive work. Man's destiny is to progressive civilization, and a condition of society which makes progressive civilization the exclusive property of the few, and practically debars the vast mass of the people from participation in it, stands in the present age self-condemned. It no longer corresponds to its own idea. Society has long since declared no man shall be enslaved; society has more recently declared no man shall be ignorant: society now declares no man shall be without property. He cannot be really free without property any more than he can be really free without knowledge. He has been released successively from a state of legal dependence and from a state of intellectual dependence; he must now be released from a state of economic dependence. This is his final emancipation, which is necessary to enable him to reap any fruits from the other two, and it cannot take place without a complete transformation of present industrial arrangements. It is a common mistake, he said, to think that socialists take their stand on equality. They really take their stand on freedom. They argue that the positive side of freedom is development, and if every man has a right to freedom, then every man has a right

to the possibility of development. From this right, however, they allege the existing industrial system absolutely excludes the great majority. The freeman cannot realize his freedom, the individual cannot realize his individuality, without a certain external economic basis of work and enjoyment, and the best way to furnish him with this is to clothe him in various ways with collective property.

Lassalle's argument, however, is still more specific than this. In the beginning of his "Herr Bastiat-Schultze," he quotes a passage from his previous work on "The System of Acquired Rights," which he informs us he had intended to expand into a systematic treatise on "The Principles of Scientific National Economy." This intention he was actually preparing to fulfil when the Leipzig invitation and letter diverted him at once into practical agitation. He regrets that circumstances had thus not permitted the practical agitation to be preceded by the theoretical codex which should be the basis for it, but adds that the substance of his theory is contained in this polemic against Schultze-Delitzsch, though the form of its exposition is considerably modified by his plan of following the ideas of Schultze's "Working Men's Catechism," and by his purpose of answering Schultze's misplaced taunt of "half knowledge" by trying to extinguish the economic pretensions of the latter as completely as he had done the literary pretensions of Julian Schmidt. "Every line I write," says Lassalle, with a characteristic finality of self-confidence, "I write armed with the whole culture of my century"; and at any rate Schultze-Delitzsch was far his inferior in economic as in other knowledge. In the passage to which I have referred, Lassalle says, "The world is now face to face with a new social question, the question whether, since there is no longer any property in the immediate use of another man, there should still exist property in his mediate exploitation—*i.e.*, whether the free realization and development of one's power and labour should be the exclusive private property of the owner of the instruments and advances necessary for labour—*i.e.*, of capital; and whether the employer as such, and apart from the remuneration of his own intellectual labour of management, should be permitted to have property in the value of other people's labour—*i.e.*,

whether he ought to receive what is known as the premium or profit of capital, consisting of the difference between the selling price of the product and the sum of the wages and salaries of all kinds of labour, manual and mental, that have contributed to its production."

His standing-point here, again, as always, belongs to the philosophy of history—to the idea of historical evolution with which his Hegelianism had early penetrated him. The course of legal history has been one of gradual but steady contraction of the sphere of private property in the interests of personal freedom and development. The ancient system of slavery, under which the labourer was the absolute and complete property of his master, was followed by the feudal system of servitudes, under which he was still only partially proprietor of himself, but was bound by law to a particular lord by one or more of a most manifold series of specific services. These systems have been successively abolished. There is no longer property in man or in the use of man. No man can now be either inherited or sold in whole or in part. He is his own, and his power of labour is his own. But he is still far from being in full possession of himself or of his labour. He cannot work without materials to work on and instruments to work with, and for these the modern labourer is more dependent than ever labourer was before on the private owners in whose hands they have accumulated. And the consequence is that under existing industrial arrangements the modern labourer has no more individual property in his labour than the ancient slave had. He is obliged to part with the whole value of his labour, and content himself with bare subsistence in return. It is in this sense that socialist writers maintain property to be theft—not that subjectively the proprietors are thieves, but that objectively, under the exigencies of a system of competition, they cannot help offering workmen, and workmen cannot help accepting, wages far under the true value of their labour. Labour is the source of all wealth, for the value of anything—that which makes it wealth—is, on the economists' own showing, only another name for the amount of labour put into the making of it; and labour is the only ground on which modern opponents of socialism—Thiers and Bastiat, for example—think

the right of individual property can be established. Yet on the methods of distribution of wealth that now exist, individual property is not founded on this its only justifiable basis, and the aim of socialists is to emancipate the system of distribution from the influence of certain unconscious forces which, as they allege, at present disturb it, and to bring back individual property for the first time to its natural and rightful foundation—labour. Their aim is not to abolish private property, but to purify it, by means of some systematic social regulation which shall give each man a share more conformable with his personal merit and contribution. Even if no question is raised about the past, it is plain that labour is every day engaged in making more new property. Millions of labouring men are, day after day, converting their own brain, muscle, and sinew into useful commodities, into value, into wealth. Now, the problem of the age, according to Lassalle, is this, whether this unmade property of the future should not become genuine labour property, and its value remain greatly more than at present in the hands that actually produced it.

This, he holds, can only be done by a fundamental reconstruction of the present industrial system, and by new methods of determining the remuneration of the labouring class. For there is a profound contradiction in the present system. It is unprecedentedly communistic in production, and unprecedentedly individualistic in distribution. Now there ought to be as real a joint participation in the product, as there is already a joint participation in the work. Capital must become the servant of labour instead of its master, profits must disappear, industry must be conducted more on the mutual instead of the proprietary principle, and the instruments of production be taken out of private hands and turned into collective or even, it may be, national property. In the old epoch, before 1789, industrial society was governed by the principle of solidarity without freedom; in the period since 1789, by freedom without solidarity, which has been even worse; in the epoch now opening, the principle must be solidarity in freedom.

Partisans of the present system object to any social inter-

ference with the distribution of wealth, but they forget how much—how entirely—that distribution is even now effected by social methods. The present arrangement of property, says Lassalle, is, in fact, nothing but an anarchic and unjust socialism. How do you define socialism? he asks. Socialism is a distribution of property by social channels. Now this is the condition of things that exists to-day. There exists, under the guise of individual production, a distribution of property by means of purely objective movements of society. For there is a certain natural solidarity in things as they are, only being under no rational control, it operates as a wild natural force, as a kind of fate destroying all rational freedom and all rational responsibility in economic affairs. In a sense, there never was more solidarity than there is now; there never was so much interdependence. Under the large system of production, masses of workmen are simply so many component parts of a single great machine driven by the judgment or recklessness of an individual capitalist. With modern facilities of intercommunication, too, the trade of the world is one and indivisible. A deficient cotton harvest in America carries distress into thousands of households in Lyons, in Elberfeld, in Manchester. A discovery of gold in Australia raises all prices in Europe. A simple telegram stating that rape prospects are good in Holland instantly deprives the oilworkers of Prussia of half their wages. So far from there being any truth in the contention of Schultze-Delitzsch, that the existing system is the only sound one, because it is founded on the principle of making every man responsible for his own doings, the very opposite is the case. The present system makes every man responsible for what he does not do. In consequence of the unprecedented interconnection of modern industry, the sum of conditions needed to be known for its successful guidance have so immensely increased that rational calculation is scarcely possible, and men are enriched without any merit, and impoverished without any fault. According to Lassalle, in the absence as yet of an adequate system of commercial statistics, the number of known conditions is always much smaller than the number of unknown, and the consequence is, that trade is very much a game of chance. Everything in modern indus-

trial economy is ruled by social connections, by favourable or unfavourable situations and opportunities. *Conjunctur* is its great Orphic chain. Chance is its Providence—Chance and his sole and equally blind counsellor, Speculation. Every age and condition of society, says Lassalle, tends to develop some phenomenon that more particularly expresses its type and spirit, and the purest type of capitalistic society is the financial speculator. Capital, he maintains, is a historical and not a logical category, and the capitalist is a modern product. He is the development, not of the ancient Crœsus or the mediæval lord, but of the usurer, who has taken their place, but was in their lifetime hardly a respectable person. Crœsus was a very rich man, but he was not a capitalist, for he could do anything with his wealth except capitalize it. The idea of money making money and of capital being self-productive, which Lassalle takes to be the governing idea of the present order of things, was, he says, quite foreign to earlier periods. Industry is now entirely under the control of capitalists speculating for profit. No one now makes things first of all for his own use—as mythologizing economists relate—and then exchanges what is over for the like redundant work of his neighbours. Men make everything first of all, and last of all, for other people's use, and they make it at the direction and expense of a capitalist who is speculating for money, and, in the absence of systematic statistics, is speculating in the dark. Chance and social connections make him rich, chance and social connections bring him to ruin. Capital is not the result of saving, it is the result of *Conjunctur;* and so are the vicissitudes and crises that have so immensely increased in modern times. What you have now, therefore, says Lassalle, is a system of socialism; wealth is at present distributed by social means, and by nothing else; and all he contends for is, as he says, to substitute a regulated and rational socialism for this anarchic and natural socialism that now exists.

His charge against the present system, however, is more than that it is anarchic; he maintains it to be unjust—organically and hopelessly unjust. The labourer's back is the green table on which the whole game is played, and all losses are in the end sustained by him. A slightly unfavourable turn of

things sends him at once into want, while even a considerably favourable one brings him no corresponding advantage, for, according to all economists, wages are always the last thing to rise with a reviving trade. The present system is, in fact, incapable of doing the labourer justice, and would not suffer employers to do so even if they wished. Injustice is bred in its very bone and blood. In this contention Lassalle builds his whole argument on premises drawn from the accepted economic authorities. Socialist economics, he says, is nothing but a battle against Ricardo, whom he describes as the last and most representative development of *bourgeois* economics; and it fights the battle with Ricardo's own weapons, and on Ricardo's own ground. There are two principles in particular of which it makes much use—Ricardo's law of value and Ricardo's law of natural or necessary wages.

Ricardo's law of value is that the value of a commodity, or the quantity of any other commodity for which it will exchange, depends on the relative quantity of labour which is necessary for its production, and not on the greater or less compensation which is paid for that labour. Value is thus resolved into so much labour, or what is the same thing, so much time consumed in labour, mental and manual, upon the commodity. This reduction of value to quantity of time is reckoned by Lassalle the one great merit of Ricardo and the English economists. Ricardo, however, strictly limited his law to commodities that admitted of indefinite multiplication, the value of other commodities being, he held, regulated by their scarcity; and he confined it to the normal value of the commodities only, the fluctuations of their market-price depending on other considerations. But Lassalle seeks to make it cover these cases also by means of a distinction he draws between individual time of labour, and socially necessary time of labour. According to this distinction, what constitutes the value of a product is not the time actually taken or required by the person who made it; for he may have been indolent or slow, or may not have used the means and appliances which the age he lived in afforded him. What constitutes value is the average time of labour socially necessary, the time required by labour of average efficiency using the methods the age

supplies. If the commodity can be produced in an hour, an hour's work will be its value, though you have taken ten to produce it by slower methods. So far there is nothing very remarkable, but Lassalle goes on to argue that you may waste your time not merely by using methods that society has superseded, but by producing commodities that society no longer wants. You go on making shoe-buckles after they have gone out of fashion, and you can get nothing for them. They have no value. And why? Because, while they indeed represent labour, they do not represent socially necessary labour. So again with over-production: you may produce a greater amount of a commodity than society requires at the time. The value of the commodity falls. Why? Because while it has cost as much actual labour as before, it has not cost so much socially necessary labour. In fact, the labour it has taken has been socially unnecessary, for there was no demand for the product. On the other hand—and we are entitled to make this expansion of Lassalle's argument—take the case of under-production, of deficient supply. Prices rise. What is usually known as a scarcity value is conferred on commodities. But this scarcity value Lassalle converts into a labour value; the commodity is produced by the same individual labour, but the labour is more socially necessary. In plain English, there is more demand for the product.

Lassalle's distinction is thus an ingenious invention for expressing rarity value in terms of labour value. It has no theoretical importance, but is of some practical service in the socialistic argument. That argument is not that value is constituted by labour pure and simple, but by labour modified by certain general conditions of society; only it holds that these conditions—conditions of productivity, of rarity, of demand—have been created by nobody in particular, that, therefore, nobody in particular should profit by them, and that so far as the problem of the distribution of value goes, the one factor in the constitution of value which needs to be taken into account in settling that problem, is labour. All value comes from labour, represents so much time of labour, is, in fact, so much "labour-jelly," so much preserved labour.

While one accepted economic law thus declares that all value is conferred by the labourer, and is simply his sweat, brain, and sinew incorporated in the product, another economic law declares that he gains no advantage from the productivity of his own work, and that whatever value he produces, he earns only the same wages—bare customary subsistence. In that lies the alleged injustice of the present system. Von Thuenen, the famous Feudalist landowner and economic experimentalist, said, many years ago, that when the modern working class once began to ask the question, What is natural wages? a revolution might arise which would reduce Europe to barbarism. This is the question Lassalle asked, and by which mainly he stirred up socialism. The effect of the previous argument was to raise the question, What is the labourer entitled to get? and to suggest the answer, he is entitled to get everything. The next question is, What, then, does the labourer actually get? and the answer is, that on the economists' own showing, he gets just enough to keep soul and body together, and on the present system can never get any more. Ricardo, in common with other economists, had taught that the value of labour, like the value of everything else, was determined by the cost of its production, and that the cost of the production of labour meant the cost of the labourer's subsistence according to the standard of living customary among his class at the time. Wages might rise for a season above this level, or fall for a season below it, but they always tended to return to it again, and would not permanently settle anywhere else. When they rose higher, the labouring class were encouraged by their increased prosperity to marry, and eventually their numbers were thus multiplied to such a degree that by the force of ordinary competition the rate of wages was brought down again; when they fell lower, marriages diminished and mortality increased among the working class, and the result was such a reduction of their numbers as to raise the rate of wages again to its old level. This is the economic law of natural or necessary wages—"the iron and cruel law" which Lassalle declared absolutely precluded the wage-labourers—*i.e.*, 96 per cent. of the population—from all possibility of ever improving their condition or benefiting in the least from the

growing productivity of their own work. This law converted industrial freedom into an aggravated slavery. The labourer was unmanned, taken out of a relationship which, with all its faults, was still a human and personal one, put under an impersonal and remorseless economic law, sent like a commodity to be bought in the cheapest market, and there dispossessed by main force of competition of the value of the property which his own hands had made. *Das Eigenthum ist Fremdthum geworden.*

It is no wonder that teaching like this should move the minds of working men to an intolerable sense of despair and wrong. Nor was there any possibility of hope except in a revolution. For the injustice complained of lay in the essence of the existing economic system, and could not be removed, except with the complete abolition of the system. The only solution of the question, therefore, was a socialistic reconstruction which should make the instruments of production collective property, and subordinate capital to labour, but such a solution would of course be the work of generations, and meanwhile, the easiest method of transition from the old order of things to the new, lay in establishing productive associations of working men on State credit. These would form the living seed-corn of the new era. This was just Louis Blanc's scheme, with two differences—viz., that the associations were to be formed gradually, and that they were to be formed voluntarily. The State was not asked to introduce a new organization of labour by force all at once, but merely to lend capital at interest to one sound and likely association after another, as they successively claimed its aid. This loan was not to be gratuitous, as the French socialists used to demand in 1848, and since there would be eventually only one association of the same trade in each town, and since, besides, they would also establish a system of mutual assurance against loss, trade by trade, the State, it was urged, would really incur no risk. Lassalle, speaking of State help, said he did not want a hand from the State, but only a little finger, and he actually sought, in the first instance at least, no more than Mr. Gladstone gave in the Irish Land Act. The scheme was mainly urged, of course, in the interests of a sounder distribution of wealth; but

Lassalle contended that it would also increase production; and it is important to remember that he says it would not otherwise be economically justifiable, because "an increase of production is an indispensable condition of every improvement of our social state." This increase would be effected by a saving of cost, in abolishing local competition, doing away with middle-men and private capitalists, and adapting production better to needs. The business books of the association would form the basis of a sound and trustworthy system of commercial statistics, so much required for the purpose of avoiding over-production. The change would, he thought, also introduce favourable alterations in consumption, and in the direction of production; inasmuch as the taste of the working class for the substantial and the beautiful, would more and more supplant the taste of the *bourgeoisie* for the cheap and nasty.

After the death of Lassalle, the movement he began departed somewhat from the lines on which he launched it. 1st, His plan of replacing capitalistic industry by productive associations of labourers, founded on State credit, had always seemed a mockery, or, at least, a makeshift, to many of the socialists of Germany. It would not destroy competition, for one association would still of necessity compete with another; and it would not secure to every man the right to the full product of his labour, for the members of the stronger productive associations would be able to exploit the members of the weaker as the ordinary result of their inter-competition. In other words, Lassalle's plan would not in their eyes realize the socialist claim, as that claim had been taught to them by Marx. Their claim could only be realized by the conversion of all industrial instruments into public property, and the systematic conduct of all industry by the public authority; and why not aim straight for that result, they asked, instead of first bringing in a merely transitional period of productive associations, which would, on Lassalle's own calculations, take two hundred years to create, and which might not prove transitional to the socialist state after all? Rodbertus even had gone against Lassalle on this point, because he wanted to see individual property converted into national property, and thought con-

verting it first into joint stock property was really to prevent rather than promote the main end he had in view.

Then, 2nd, Lassalle was a national, not an international socialist. He held that every country should solve its own social question for itself, and that the working-class movement was not, and should not be made, cosmopolitan. He was even—as Prince Bismarck said in Parliament, when taxed with having personal relations with him—patriotic. At least he was an intense believer in Prussia; less, however, because he was a Prussian than because Prussia was a strong State, and because he thought that strong States alone could do the world's work in Germany or elsewhere. By nationality in itself he set but little store; a nationality had a right to separate existence if it could assert it, but if it were weak and struggling, its only duty was to submit with thankfulness to annexation by a stronger power. He wished his followers, therefore, to keep aloof from the doings of other nations, and to concentrate their whole exertions upon victory at the elections in their own country and the gradual development of productive associations on national loans. This restriction of the range of the movement had from the first dissatisfied some of its adherents, especially a certain active section who hated Prussia as much as Lassalle believed in her, and after the influence of the International began to make itself felt upon the agitation in Germany, this difference of opinion gathered gradually to a head. In 1868 a motion was brought before the general meeting of the League in favour of establishing relations with the International and accepting its programme. The chief promoters of this motion were the two present leaders of the Social Democratic party in the Reichstag, Liebknecht and Bebel, and it was strongly opposed by the president of the League, Dr. von Schweitzer, an advocate in Frankfort, and a strong champion of Prussia, who was elected to the presidency in 1866, just at the time the extension of the suffrage gave a fresh impetus to the movement, and whose energy and gifts of management contributed greatly to the development of the organization. The motion was carried by a substantial majority, but before next year Von Schweitzer had succeeded in turning the tables on his opponents, and at

the general meeting in 1869, Liebknecht and Bebel were expelled from the League, as traitors to the labourers' cause. After their expulsion they called together in the same year a congress of working men at Eisenach, which was attended mainly by delegates from Austria and South Germany, and founded an independent organization on the principles of the International, and under the name of the Social Democratic Labour Party of Germany. The two organizations existed side by side till 1874, when a union was effected between them at a general meeting at Gotha, and they became henceforth the Socialist Labour Party. This was the burial of the national socialism of Lassalle, for though in deference to his followers, the new programme promised in the meantime to work within national limits, it expressly recognised that the labourers' movement was international, and that the great aim to be striven after was a state of society in which every man should be obliged to share in the general labour according to his powers, and have a right to receive from the aggregate product of labour according to what was termed his rational requirements. Some "orthodox Lassalleans," as they called themselves, held aloof from this compromise, but they are too few to be of any importance. They still remain apart from the main body of German socialism, and live in such good odour with the Government, whether on account of their unimportance or of their supposed loyalty, that they were never molested by any application of the Socialist Laws which were enforced for twelve years strenuously against all other socialists.

Among the causes which brought the others to so much unanimity was undoubtedly the establishment of the German Empire in 1871, which was viewed with universal aversion by socialists of every shade. On the outbreak of the war, Schweitzer and the members of the original League gave their sympathies warmly to the arms of their country, and the Social Democratic party was nearly equally divided on the subject; but after the foundation of the French Republic, they all with one consent declared that the war ought now to cease, and the socialist deputies, no matter which organization they belonged to, voted without exception against granting supplies for its continuance. They were likewise opposed to

the recognition of the title of Emperor and to the constitution of the Empire, and indeed as republicans they could not be anything else. From a recollection mainly of these votes Prince Bismarck considered the movement to be unpatriotic and hostile to the Empire, and accordingly suppressed its propaganda in 1878, when its growth seemed likely to prove a serious danger to an Empire whose stability was still far from being assured by any experience of its advantages. The socialists retorted upon this policy at their congress at Wyden, Switzerland, in 1880, by striking out of their programme the limitation of proceeding by legal means, on the ground that the action of the Government having made legal means impracticable, no resource was left but to meet force by force. They thus threw aside the last shred of the practical policy of Lassalle, and stood out thenceforth as a party of international revolution.

The movement could, however, hardly help becoming international; not, as some allege, because this is a peculiarity of revolutionary parties; on the contrary, other parties may also exhibit it. What, for example, was the Holy Alliance but an international league of the monarchical and aristocratic parties against the advance of popular rights? Nor is it a peculiarity of the present time only. No doubt the increased intercommunication and inter-dependence between countries now facilitates its development. There are no longer nations in Europe, said Heine, but only parties. But in reality it has always been nearly as much so as now. Any party founded on a definite general principle or interest may in any age become international, and even what may seem unpatriotic. The Protestants of France in the 16th century sought help from England, and the Jacobites of England in the 18th sought help from France; just as the German socialists of 1870 sided with the French after Sedan, and the French communists of 1871 preferred to see their country occupied by the Germans rather than governed by the "Versaillais." In all these cases the party principles were naturally international, and the party bias overcame the patriotic.

Besides, the socialist is, almost by necessity of his position and principles, predisposed to discourage and condemn patriot-

ism. Others, indeed, condemn it as well as he. Most of the great writers who revived German literature towards the beginning of this century—Lessing, Herder, Wieland, Goethe—have all disparaged it. They looked on it as a narrow and obsolete virtue, useful enough perhaps in rude times, but a hindrance to rational progress now; the modern virtue was humanity, the idea of which had just freshly burst upon their age like a new power. This consideration may no doubt to some extent weigh with socialists also, for their whole thinking is leavened with the notion of humanity, but their most immediate objection to patriotism is one of a practical nature. Their complaint used always to be that the proletarian had no country, because he was excluded from political rights. He was not a citizen, and why should he have the feelings of one? But now he has got political rights, and they still complain. He is in the country, they say, but not yet of it. He is practically excluded from its civilization, from all that makes the country worth living or fighting for. He has no country, for he is denied a man's share in the life that is going in any. Edmund Ludlow wrote over his door in exile—

> "Every land is my fatherland,
> For all lands are my Father's."

The modern socialist says, No land is my fatherland, for in none am I a son. He believes himself to be equally neglected in all, and that is precisely the severest strain that can try the patriotic sentiment. The proletarian is taught that in every country he is a slave, and that patriotism and religion only reconcile him to remaining so. Moreover, as Rodbertus has remarked, the social question itself is, in a sense, international because it is social.

CHAPTER IV.

KARL MARX.

In opening the present chapter in the previous edition of this book, I said it was not a little remarkable that the works of Karl Marx, which had then excited considerable commotion in other European countries, were still absolutely unknown in England, though England was the country where they were written, and to whose circumstances they were, in their author's judgment, pre-eminently applicable. His principal work, "Das Kapital," is a criticism of modern industrial development as explained by English economists and exemplified in English society. It shows a rare knowledge of English economic literature, even of the most obscure writers; it goes very fully into the conditions of English labour as described in our parliamentary reports; and out of four hundred odd books it quotes, more than three hundred are English books. Its illustrations are drawn from English industrial life, and its very money allusions are stated in terms of English coin. Its chief doctrine, moreover, was an old English doctrine, familiar among the disciples of Owen; and to crown all, if the author's belief was true, England was the country ripest for its reception, for the socialist revolution, he thought, would inevitably come when the working class sunk into the condition of a proletariat, and the working class of England had been a proletariat for many years already. Yet Marx's work was not at that time (1884) translated into English, though it had been into most other European languages, and had enjoyed a very large sale even in Russia, to whose circumstances it had admittedly very little adaptation. An English translation appeared at length, however, in 1887, twenty years after the publication of the original, and a considerable edition was disposed of within a year, though the price was high. We

have therefore grown more familiar of late with the name and importance of Karl Marx.

Born at Trèves in 1818, the son of a Christian Jew who had a high post in the civil service, Marx was sent to the University of Bonn, towards the end of the '30s, won a considerable reputation there in philosophy and jurisprudence, determined, like Lassalle, to devote himself to the academic profession, and seemed destined for an eminently successful career, in which his subsequent marriage with the sister of the Prussian Minister of State, Von Westphalen, would certainly have facilitated his advancement. But at the University he came under the spell of Hegel, and passed, step by step, with the Extreme Left of the Hegelian school, into the philosophical, religious, and political Radicalism which finally concentrated into the Humanism of Feuerbach. Just as he had finished his curriculum, the accession of Frederick William IV. in 1840 stirred a rustle of most misplaced expectation among the Liberals of Germany, who thought the day of freedom was at length to break, and who rose with generous eagerness to the tasks to which it was to summon them. Under the influence of these hopes and feelings, Marx abandoned the professorial for an editorial life, and committed himself at the very outset of his days to a political position which compromised him hopelessly with German governments, and forced him, step by step, into a long career of revolutionary agitation and organization. He joined the staff of the *Rhenish Gazette*, which was founded at that time in Cologne by the leading Liberals of the Rhine country, including Camphausen and Hansemann, and which was the organ of the Young Hegelian, or Philosophical Radical Party, and he made so great an impression by his bold and vigorous criticism of the proceedings of the Rhenish Landtag that he was appointed editor of the newspaper in 1842. In this post he continued his attacks on the Government, and they were at once so effective and so carefully worded that a special censor was sent from Berlin to Cologne to take supervision of his articles, and when this agency proved ineffectual, the journal was suppressed by order of the Prussian Ministry in 1843. From Cologne Marx went to Paris to be a joint editor of the *Deutsche Französische Jahr-*

bücher with Arnold Ruge, a leader of the Hegelian Extreme Left, who had been deprived of his professorship at the University of Halle by the Prussian Government, and whose magazine, the *Deutsche Jahrbücher*, published latterly at Leipzig to escape the Prussian authority, had just been suppressed by the Saxon. The *Deutsche Französische Jahrbücher* were published by the well-known Julius Froebel, who had some time before given up his professorship at Zürich to edit a democratic newspaper, and open a shop for the sale of democratic literature; who professed himself a communist in Switzerland, and had written some able works, with very radical and socialistic leanings, but who seems to have gone on a different tack at the time of the Lassallean movement, for he was—as Meding shows us in his "Memoiren zur Zeitgeschichte"—the prime promoter of the ill-fated Congress of Princes at Frankfort in 1865. The new magazine was intended to be a continuation of the suppressed *Deutsche Jahrbücher*, on a more extended plan, embracing French as well as German contributors, and supplying in some sort a means of uniting the Extreme Left of both nations; but no French contribution ever appeared in it, and it ceased altogether in a year's time, probably for commercial reasons, though there is no unlikelihood in the allegation sometimes made, that it was stopped in consequence of a difference between the editors as to the treatment of the question of communism.

The Young Hegelians had already begun to take the keenest interest in that question, but were, for a time, curiously perplexed as to the attitude they should assume towards it. They seem to have been fascinated and repelled by turns by the system, and to have been equally unable to cast it aside or to commit themselves fairly to it. Karl Grün, himself a Young Hegelian, says that at first they feared socialism, and points, for striking evidence of this, to the fact that the *Rhenish Gazette* bestowed an enthusiastic welcome on Stein's book on French communism, although that book condemned the system from a theologically orthodox and politically reactionary point of view. But he adds that the Young Hegelians contributed to the spread of socialism against their

will, that it was through the interest they took in its speculations and experiments that socialism acquired credit and support in public opinion in Germany, and that the earliest traces of avowed socialism are to be found in the *Rhenish Gazette*. If we may judge by the extracts from some of Marx's articles in that journal which are given in Bruno Bauer's "Vollständige Geschichte der Parthei-Kämpfe in Deutschland während der Jähre 1842–46," we should say that Marx was even at this early period a decided socialist, for he often complains of the great wrong "the poor dumb millions" suffer in being excluded by their poverty from the possibility of a free development of their powers, "and from any participation in the fruits of civilization," and maintains that the State had far other duty towards them than to come in contact with them only through the police. When Ruge visited Cabet in Paris, he said that he and his friends (meaning, he explained, the philosophical and political opposition) stood so far aloof from the question of communism that they had never yet so much as raised it, and that, while there were communists in Germany, there was no communistic party. This statement is probably equivalent to saying that he and his school took as yet a purely theoretical and Platonic interest in socialism, and had not come to adopt it as part of their practical programme. Most of them were already communists by conviction, and the others felt their general philosophical and political principles forcing them towards communism, and the reason of their hesitation in accepting it is probably expressed by Ruge, when he says (in an article in Heinzen's "Die Opposition," p. 103), that the element of truth in communism was its sense of the necessity of political emancipation, but that there was a great danger of communists forgetting the political question in their zeal for the social. It was chiefly under the influence of the Humanism into which Feuerbach had transformed the Idealism of Hegel, that the Hegelian Left passed into communism. Humanist and communist became nearly convertible terms. Friedrich Engels mentions in his book on the condition of the English working classes, published in 1845, that all the German communists of that day were followers of Feuerbach, and most of the followers

of Feuerbach in Germany (Ruge seems to have remained an exception) were communists. Lassalle was one of Feuerbach's correspondents, and after he started the present socialist movement in Germany, he wrote Feuerbach on 21st October, 1863, saying that the Progressists were political rationalists of the feeblest type, and that it was the same battle which Feuerbach was waging in the theological, and he himself now in the political and economic sphere. Stein attributed French socialism greatly to the prevailing sensualistic character of French philosophy, which conceived enjoyment to be man's only good, and never rose to what he calls the great German conception, the logical conception of the Ego, the idea of knowing for the sake of knowing. The inference this contrast suggests is that the metaphysics of Germany had been her protector, her national guard, against socialism, but as we see, at the very time he was writing the guard was turning traitor, and a native socialism was springing up by natural generation out of the idealistic philosophy. The fact, however, rather confirms the force of Stein's remark, for the Hegelian idealism first bred the more sensualistic system of humanism, and then humanism bred socialism.

Hegel had transformed the transcendental world of current opinion, with its personal Deity and personal immortality, into a world of reason; and Feuerbach went a step further, and abolished what he counted the transcendency of reason itself. Heaven and God, he entirely admitted, were nothing but subjective illusions, fantastic projections of man's own being and his own real world into external spheres. But mind, an abstract entity, and reason, a universal and single principle, were, in his opinion, illusions too. There was nothing real but man—the concrete flesh and blood man who thinks and feels. "God," says Feuerbach, speaking of his mental development, "was my first thought, Reason my second, Man my third and last." He passed, as Lange points out, through Comte's three epochs. Theology was swept away, and then metaphysics, and in its room came a positive and materialistic anthropology which declared that the senses were the sole sources of real knowledge, that the body was not only part of man's being, but its totality and essence, and, in short, that man

is what he eats—*Der Mensch ist was er isst.* Man, therefore, had no other God before man, and the promotion of man's happiness and culture in this earthly life—which was his only life—was the sole natural object of his political or religious interest. This system was popularized by Feuerbach's brother Friedrich, in a little work called the "Religion of the Future," which enjoyed a high authority among the German communists, and formed a kind of lectionary they read and commented on at their stated meetings. The object of the new religion is thus described in it:—"Man alone is our God, our father, our judge, our redeemer, our true home, our law and rule, the alpha and omega of our political, moral, public, and domestic life and work. There is no salvation but by man." And the cardinal articles of the faith are that human nature is holy, that the impulse to pleasure is holy, that everything which gratifies it is holy, that every man is destined and entitled to be happy, and for the attainment of this end has the right to claim the greatest possible assistance from others, and the duty to afford the same to them in turn.

Now the tendency of this metaphysical and moral teaching was strongly democratic and socialistic. There was said to be in the existing political system a false transcendency identical with that of the current religious system. King and council hovered high and away above the real life of society in a world of their own, looking on political power as a kind of private property, and careless of mankind, from whom it sprang, to whom it belonged, and by whom and for whom it should be administered. "The princes are gods," says Feuerbach, "and they must share the same fate. The dissolution of theology into anthropology in the field of thought is the dissolution of monarchy into republic in the field of politics. Dualism, separation is the essence of theology; dualism, separation is the essence of monarchy. There we have the antithesis of God and world; here we have the antithesis of State and people." This dualism must be abolished. The State must be *humanized*—must be made an instrument in the hands of all for the welfare of all; and its inhabitants must be *politized*, for they, all of them, constitute the *polis*. Man must no longer be a means, but must be everywhere and always an end. There was no-

body above man; there was neither superhuman person, nor consecrated person; neither deity, nor divine right. And, on the other hand, as there is no person who in being or right is more than man, so there must be no person who is less. There must be no *unmenschen*, no slaves, no heretics, no outcasts, no outlaws, but every being who wears human flesh must be placed in the enjoyment of the full rights and privileges of man. The will of man be done, hallowed be his name.

These principles already bring us to the threshold of socialism, and now Feuerbach's peculiar ethical principle carries us into its courts. That principle has been well termed Tuism, to distinguish it from Egoism. The human unit is not the individual, but man in converse with man, the sensual Ego with the sensual Tu. The isolated man is incomplete, both as a moral and as a thinking being. "The nature of man is contained only in the community, in the unity of man with man. Isolation is finitude and limitation, community is freedom and infinity. Man by himself is but man; man with man, the unity of I and Thou, is God." Feuerbach personally never became a communist, for he says his principle was neither egoism nor communism, but the combination of both. They were equally true, for they were inseparable, and to condemn self-love would be, he declared, to condemn love to others at the same time, for love to others was nothing but a recognition that their self-love was justifiable. But it is easy to perceive the natural tendency of the teaching that the social man was the true human unit and essence, and was to the individual as a God. With most of his disciples Humanism meant making the individual disappear in the community, making egoism disappear in love, and making private property disappear in collective. Hess flatly declared that "the species was the end, and the individuals were only means." Ruge disputed this doctrine, and contended that the empirical individual was the true human unit and the true end; but even he said that socialism was the humanism of common life. Grün passes into socialism by simply applying to property Feuerbach's method of dealing with theology and monarchy. He argues that if the true essence of man is the social man, then, just as theology is anthropology, so is anthropology socialism,

for property is at present entirely alienated, externalized from the social man. There is a false transcendency in it, like that of divinity and monarchy. "Deal, therefore," he says, "with the practical God, money, as Feuerbach dealt with the theoretical"; humanize it. Make property an inalienable possession of manhood, of every man as man. For property is a necessary material for his social activity, and therefore ought to belong as inalienably and essentially to him as everything which he otherwise possesses of means or materials for his activity in life; as inalienably, for example, as his body or his personal acquirements. If man is the social man, some social possession is then necessary to his manhood, and might be called an essential part of it; but existing property is something outside, as separate from him as heaven or the sovereign power. Grün accordingly says that Feuerbach's "Essence of Christianity" supplies the theoretical basis for Proudhon's social system, because the latter only applies to practical life the principles which the former applied to religion and metaphysics, but he admits that neither Feuerbach nor Proudhon would acknowledge the connection.

We thus see how theoretical humanism—a philosophy and a religion—led easily over into the two important articles of practical humanism, a democratic transformation of the State and a communistic transformation of society. This was the ideal of the humanists, and it contains ample and wide-reaching positive features; but when it came to practical action they preferred for the present to take up an attitude of simple but implacable negation to the existing order of things. No doubt variety of opinion existed among them; but if they are to be judged by what seemed their dominant interest, they were revolutionaries and nothing else. They repudiated with one consent the socialist utopias of France, and refrained on principle from committing themselves to, or even discussing, any positive scheme of reconstruction whatsoever. They held it premature to think of positive proposals, which would, moreover, be sure to sow divisions among themselves. Their first great business was not to build up, but to destroy, and their work in the meantime was therefore to develop the revolutionary spirit to its utmost possible energy, by exciting hatred

against all existing institutions; in short, to create an immense reservoir of revolutionary energy which might be turned to account when its opportunity arrived. Their position is singularly like the phase of Russian nihilism described by Baron Fircks, and presented to us in Turgenieff's novels. It is expressed very plainly by W. Marr, himself an active humanist, who carried Feuerbach's "Essence of Christianity" as his constant companion, and founded a secret society for promoting humanistic views. In his interesting book on Secret Societies in Switzerland, he says, "The masses can only be gathered under the flag of negation. When you present detailed plans, you excite controversies and sow divisions; you repeat the mistake of the French socialists, who have scattered their redoubtable forces because they tried to carry formulated systems. We are content to lay down the foundation of the revolution. We shall have deserved well of it if we stir hatred and contempt against all existing institutions. We make war against all prevailing ideas, of religion, of the State, of country, of patriotism. The idea of God is the keystone of a perverted civilization. It must be destroyed. The true root of liberty, of equality, of culture, is Atheism. Nothing must restrain the spontaneity of the human mind." All this work of annihilation could neither be done by reform, nor by conspiracy, but only by revolution, and "a revolution is never made; it makes itself." While the revolution was making, Marr founded an association in Switzerland, "Young Germany," which should prepare society for taking effective action when the hour came. There was a "Young Germany" in Switzerland when he arrived there; part of a federation of secret societies established by Mazzini in 1834, under the general name of "Young Europe," and comprising three series of societies:—"Young Italy," composed of Italians; "Young Poland," of Poles; and "Young Germany," of Germans. But this organization was not at all to Marr's mind, because it concerned itself with nothing but politics, and because its method was conspiracy. "Great transformations," he said, "are never prepared by conspiracies," and it was a very great transformation indeed that he contemplated. He therefore formed a "Young Germany" of his own. His plan was to plant a lodge, or "family," wher-

ever there existed a German working men's association. The members of this family became members of the association, and formed a leaven which influenced all around them, and, through the wandering habits of the German working class, was carried to much wider circles. The family met for political discussion once a week, read Friedrich Feuerbach together on the Sundays with fresh recruits, who, when they had mastered him, were said to have put off the old man; and their very password was *humanity*, a brother being recognised by using the half-word *human—?* interrogatively, and the other replying by the remaining half—*ität*. The members were all ardent democrats, but, as a rule, so national in their sympathies that the leaders made it one great object of their *disciplina arcani* to stifle the sentiment of patriotism by subjecting it to constant ridicule.

Their relations to communism are not quite easy to determine. Marr himself sometimes expresses disapproval of the system. He says, "Communism is the expression of impotence of will. The communists lack confidence in themselves. They suffer under social oppression, and look around for consolation instead of seeking for weapons to emancipate themselves with. It is only a world-weariness desiring illusion as the condition of its life." He says the belief in the absolute dependence of man on matter is the shortest and most pregnant definition of communism, and that it starts from the principle that man is a slave and incapable of emancipating himself. But, on the other hand, he complains that the members of "Young Germany" did not sufficiently appreciate the social question, being disgusted with the fanaticism of the communists. By the communists, he here means the followers of Weitling and Albrecht, who were at that time creating a party movement in Switzerland. The prophet Albrecht, as he is called, was simply a crazy mystic with proclivities to sedition which brought him at length to prison for six years, and which took there an eschatological turn from his having, it is said, nothing to read but the Bible, so that on his release he went about prophesying that Jehovah had prepared a way in the desert, which was Switzerland, for bringing into Europe a reign of peace, in which people should hold all things in common and

enjoy complete sensuous happiness, sitting under their common vine and fig-tree, with neither king nor priest to make them any more afraid. Weitling was not quite so unimportant, but the attention he excited at the time is certainly not justified by any of the writings he has left us. He was a tailor from Magdeburg, who was above his work, believing himself to be a poet and a man of letters, condemned by hard fate and iniquitous social arrangements to a dull and cruel lot. Having gone to Paris when socialism was the rage there, he eagerly embraced that new gospel, and went to Switzerland to carry its message of hope to his own German countrymen. There he forsook the needle altogether, and lived as the paid apostle of the dignity of manual labour, for which he had himself little mind. His ideas are crude, confused, and arbitrary. His ideal of society was a community of labourers, with no State, no Church, no individual property, no distinction of rank or position, no nationality, no fatherland. All were to have equal rights and duties, and each was to be put in a position to develop his capacity and gratify his bents as far as possible. He was moved more by the desire for abstract equality than German socialists of the humanist or contemporary type, for they do not build on the justice of a more equal distribution of wealth so much as on the necessity of the possession of property for the free development of the human personality. He is entirely German, however, in his idea of the government of the new society. It was to be governed by the three greatest philosophers of the age, assisted by a board of trade, a board of health, and a board of education. In Switzerland he founded, to promote his views, a secret society, the "Alliance of the Just," which had branches in most of the Swiss towns. Its members were chiefly Germans from Germany, for very few of the communists in Switzerland were born Swiss, and according to Marr, who was present at some of their meetings, they were three-fourths of them tailors. "I felt," says Marr, "when I entered one of these clubs, that I was with the mother of tailors. The tailor sitting and chatting at his work is always extreme in his opinions. Tailor and communist are synonymous terms." It was to some of the leaders of this alliance that Weitling unfolded his wild scheme of a proleta-

riat raid, according to which an army of 20,000 brigands was to be raised among the proletariat of the large towns, to go with torch and sword into all the countries of Europe, and terrify the *bourgeoisie* into a recognition of universal community of goods. It is only fair to add that his proposal met with no favour. Letters were found in his possession, and subsequently published in Bluntschli's official report, which show that some of Weitling's correspondents regarded his scheme with horror, and others treated it with ridicule. One of them said it was trying to found the kingdom of heaven with the furies of hell. The relations between "Young Germany" and Weitling's allies were apparently not cordial, though they had so much in common that, on the one hand, Weitling's correspondents urge him to keep on good terms with "Young Germany," and, on the other, Marr says he actually tried to get a common standing ground with the communists, and thought he had found it in the negation of the present system of things—the negation of religion, the negation of patriotism, the negation of subjection to authority.

Now the importance of this excursus on the Young Hegelians lies in the fact that Karl Marx was a humanist, and looked on humanism as the vital and creative principle in the renovation of political and industrial society. In the *Deutsche Französische Jahrbücher* he published an article on the Hegelian Philosophy of Right, in which he says: "The new revolution will be introduced by philosophy. The revolutionary tradition of Germany is theoretical. The Reformation was the work of a monk; the Revolution will be the work of a philosopher." The particular philosophy that was to do the work is that of the German critics, whose critique of religion had ended in the dogma that man is the highest being for man, and in the categorical imperative, "to destroy everything in the present order of things that makes a man a degraded, insulted, forsaken, and despised being." But philosophy cannot work a revolution without material weapons; and it will find its material weapon in the proletariat, which he owns, however, was at the time he wrote only beginning to be formed in Germany. But when it rises in its strength, it will be irresistible, and the revolution which it will accomplish will be the

only one known to history that is not utopian. Other revolutions have been partial, wrought by a class in the interests of a class; but this one will be a universal and uniform revolution, effected in the name of all society, for the proletariat is a class which possesses a universal character because it dissolves all other separate classes into itself. It is the only class that takes its stand on a human and not a historical title. Its very sorrows and grievances have nothing special or relative in them; they are the broad sorrows and grievances of humanity. And its claims are like them; for it asks no special privileges or special prerogatives; it asks nothing but what all the world will share along with it. The history of the world is the judgment of the world, and the duration of an order of things founded on the ascendancy of a limited class possessing money and culture, is practically condemned and foredoomed by the rapid multiplication of a large class outside which possess neither. The growth of this latter body not merely tends to produce, but actually *is*, the dissolution of the existing system of things. For the existing system is founded on the assertion of private property, but the proletariat is forced by society to take the opposite principle of the negation of private property for the principle of its own life, and will naturally carry that principle into all society when it gains the power, as it is rapidly and inevitably doing. Marx sums up: "The only practical emancipation for Germany is an emancipation proceeding from the standpoint of the theory which explains man to be the highest being for man. In Germany the emancipation from the middle ages is only possible as at the same time an emancipation from the partial conquests of the middle ages. In Germany one kind of bond cannot be broken without all other bonds being broken too. Germany is by nature too thorough to be able to revolutionize without revolutionizing from a fundamental principle, and following that principle to its utmost limits; and therefore the emancipation of Germany will be the emancipation of man. The head of this emancipation is philosophy; its heart is the proletariat." He adds that when things are ripe, "when all the inner conditions have been completed, the German resurrection day will be heralded by the crowing of the Gallic cock."

In this essay we mark already Marx's overmastering belief in natural historical evolution, which he had learnt from Hegel, and which prevented him from having any sympathy with the utopian projects of the French socialists. They vainly imagined, he held, that they could create a new world right off, whereas it was only possible to do so by observing a rigorous conformity to the laws of the development already in progress, by making use of the forces already at work, and proceeding in the direction towards which the stream of things was itself slowly but mightily moving. Hegel sought the principle of organic development in the State, but Marx sought it rather in civil society, and believed he had discovered it in that most mighty though unconscious product of the large system of industry, the modern proletariat, which was born to revolution as the sparks fly upward; and in the simultaneous decline of the middle classes, that is, of the conservative element which could resist the change. The process which was, as he held, now converting society into an aggregate of beggars and millionaires was bound eventually to overleap itself and land in a communism. I shall not discuss the truth of this conception at present, but it contributes, along with the sentiments of justice and humanity that animate—rightly or wrongly—the ideal of the socialists, to lend something of a religious force to their movement, for they feel that they are fellow-workers with the nature of things.

We left Marx in Paris, and on returning to him, we find him engaged—as indeed we usually do when his history comes into notice—in a threefold warfare. Besides his general war against the arrangements of modern society, he is always carrying on a bitter and implacable war against the Prussian Government, and is often engaged in controversy—sometimes very personal—with foes of his own philosophical or revolutionary household. After the cessation of the *Deutsche Französische Jahrbücher*, Marx edited a paper called *Vorwärts*, and in this and other journals open to him, he attacked the Prussian administration so strongly that that administration complained to Guizot, who gave him orders to quit France. His more personal controversy at this time arose out of one of the schisms of the Young Hegelians, and he and his friend

Friedrich Engels wrote a pamphlet—"Die Heilige Familie"—against the Hegelian Idealism, and especially against Bruno Bauer, who had offended him—says Erdmann, in his "History of Philosophy"—at once as Jew, as Radical, and as journalist. When expelled from France, he went to Brussels, where he was allowed to continue his war upon the Prussian Government without interference, till the revolution of 1848. During this period he devoted his attention more particularly than hitherto to commercial subjects, and published in 1846 his "Discours sur le Libre-échange," and in 1847 his "Misère de la Philosophie," a reply to Proudhon's "Philosophie de la Misère"—both in French.

While in Brussels, Marx received an invitation from the London Central Committee of the Communist League to join that society. This league had been founded in Paris in 1836, for the purpose of propagating communist opinions among the working men of Germany. Its organization was analogous to that of the International and other societies of the same kind. A certain number of members constituted a *Gemeinde*, the several *Gemeinden* in the same town constituted a *Kreis*, a number of *Kreise* were grouped into a leading *Kreis*, and at the head of the whole was the Central Committee, which was chosen at a general congress of deputies from all the *Kreise*, and which had since 1840 had its seat in London. The method of the league was to establish, as a sphere of operation, German working men's improvement associations everywhere. The travelling custom of German working men greatly facilitated this work, and numbers of these associations were soon founded in Switzerland, England, Belgium, and the United States. The reason its committee applied to Marx was that he had just published a series of pamphlets in Brussels, in which, as he tells us, he "submitted to a merciless criticism the medley of French-English socialism and communism and of German philosophy, which then constituted the secret doctrine of the League," and insisted that "their work could have no tenable theoretical basis except that of a scientific insight into the economic structure of society, and that this ought to be put into a popular form, not with the view of carrying out any utopian system, but of promoting among the working classes

and other classes a self-conscious participation in the process of historical transformation of society that was taking place under their eyes." This is always with Marx the distinctive and ruling feature of his system. The French schemes were impracticable utopias, because they ignored the laws of history and the real structure of economic society; and he claims that his own proposals are not only practicable but inevitable, because they strictly observe the line of the actual industrial evolution, and are thus, at worst, plans for accelerating the day after to-morrow. But, besides this difference of principle, Marx thought the League should also change its method and tactics. Its work, being that of social revolution, was different from the work of the old political conspirators and secret societies, and therefore needed different weapons; the times, too, were changed; and offered new instruments. Street insurrections, surprises, intrigues, *pronunciamentos* might overturn a dynasty, or oust a government, or bring them to reason, but were of no avail in the world for introducing collective property or abolishing wage labour. People would just begin again the day after to work for hire and rent their farms as they did before. A social revolution needed other and larger preparation; it needed to have the whole population first thoroughly leavened with its principles; nay, it needed to possess an international character, depending not on detached local outbreaks, but on steady concert in revolutionary action on the part of the labouring classes everywhere. The cause was not political, or even national, but social; and society—which was indeed already pregnant with the change—must be aroused to a conscious consent to the delivery. What was first to be done, therefore, was to educate and move public opinion, and in this work the ordinary secret society went but a little way. A secret propaganda might still be carried on, but a public and open propaganda was more effectual and more suitable to the times. There never existed greater facilities for such a movement, and they ought to make use of all the abundant means of popular agitation and intercommunication which modern society allowed. No more secret societies in holes and corners, no more small risings and petty plots, but a great broad organization working in open day, and working restlessly by

tongue and pen to stir the masses of all European countries to a common international revolution. Marx sought, in short, to introduce the large system of production into the art of conspiracy.

Finding his views well received by the Central Committee of the Communist League, he acceded to their request to attend their General Congress at London in 1847, and then, after several weeks of keen discussion, he prevailed upon the Congress to adopt "the Manifesto of the Communist party," which was composed by himself and Engels, and which was afterwards translated from the German into English, French, Danish, and Italian, and sown broadcast everywhere just before the Revolution of 1848. This Communist League may be said to be the first organization—and this Communist Manifesto the first public declaration—of the International Socialist Democracy that now is. The Manifesto begins by describing the revolutionary situation into which the course of industrial development has brought modern society. Classes were dying out; the yeomanry, the nobility, the small tradesmen, would soon be no more; and society was drawn up in two widely separated hostile camps, the large capitalist class or *bourgeoisie*, who had all the property and power in the country, and the labouring class, the proletariat, who had nothing of either. The *bourgeoisie* had played a most revolutionary part in history. They had overturned feudalism, and now they had created proletarianism, which would soon swamp themselves. They had collected the masses in great towns; they had kept the course of industry in perpetual flux and insecurity by rapid successive transformations of the instruments and processes of production, and by continual recurrences of commercial crises; and while they had reduced all other classes to a proletariat, they had made the life of the proletariat one of privation, of uncertainty, of discontent, of incipient revolution. They exploited the labourer of political power; they exploited him of property, for they treated him as a ware, buying him in the cheapest market for the cost of his production, that is to say, the cost of his living, and taking from him the whole surplus of his work, after deducting the value of his subsistence. Under the system of wage labour, it could not be otherwise. Wages

could never, by economic laws, rise above subsistence. While wage labour created property, it created it always for the capitalist, and never for the labourer; and, in fact, the latter only lived at all, so far as it was for the interests of the governing class, the *bourgeoisie*, to permit him. Class rule and wage labour must be swept away, for they were radically unjust, and a new reign must be inaugurated which would be politically democratic and socially communistic, and in which the free development of each should be the condition for the free development of all.

The Manifesto went on to say that communism was not the subversion of existing principles, but their universalization. Communism did not seek to abolish the State, but only the *bourgeois* State, in which the *bourgeois* exclusively hold and wield political power. Communism did not seek to abolish property, but only the *bourgeois* system of property, under which private property is really already abolished for nine-tenths of society, and maintained merely for one-tenth. Communism did not seek to abolish marriage and the family, but only the *bourgeois* system of things under which marriage and the family, in any true sense of those terms, were virtually class institutions, for the proletariat could not have any family life worthy of the name, so long as their wages were so low that they were forced to huddle up their whole family regardless of all decency, in a single room, so long as their wives and daughters were victims of the seduction of the *bourgeoisie*, and so long as their children were taken away prematurely to labour in mills for *bourgeois* manufacturers, who yet held up their hands in horror at the thought of any violation of the institution of the family. Communism did not tend to abolish fatherland and nationality—that was abolished already for the proletariat, and was being abolished for the *bourgeoisie*, too, by the extensions of their trade.

As to the way of emancipation, the proletariat must strive to obtain political power, and use it to deprive the *bourgeoisie* of all capital and means of production, and to place them in the hands of the State, *i.e.*, of the proletariat itself organized as a governing body. Now, for this, immediate and various measures interfering with property, and condemned by our

current economics, were requisite. Those measures would naturally be different for different countries, but for the most advanced countries the following were demanded: (1) Expropriation of landed property and application of rent to State expenditure; (2) abolition of inheritance; (3) confiscation of the property of all emigrants and rebels; (4) centralization of credit in the hands of the State by means of a national bank, with State capital and exclusive monopoly; (5) centralization of all means of transport in hands of State; (6) institution of national factories, and improvement of lands on a common plan; (7) compulsory obligation of labour upon all equally, and establishment of industrial armies, especially for agriculture; (8) joint prosecution of agriculture and mechanical arts, and gradual abolition of the distinction of town and country; (9) public and gratuitous education for all children, abolition of children's labour in factories, etc. The Manifesto ends by saying:—"The communists do not seek to conceal their views and aims. They declare openly that their purpose can only be obtained by a violent overthrow of all existing arrangements of society. Let the ruling classes tremble at a communistic revolution. The proletariat have nothing to lose in it but their chains; they have a world to win. Proletarians of all countries, unite!"

When the French Revolution of February, 1848, broke out, Marx was expelled without circumstance from Brussels, and received an invitation from the Provisional Government of Paris to return to France. He accepted this invitation, but was only a few weeks in Paris when the German revolution of March occurred, and he hastened to the theatre of affairs. With his friends, Freiligrath, Wolff, Engels, and others, he established on June 1st in Cologne the *New Rhenish Gazette*, which was the soul of the Rhenish revolutionary movement, the most important one of the year in Germany, and that in which, as we have seen, the young Lassalle first emerged on the troubled surface of revolutionary politics. After the *coup d'état* of November, dissolving the Prussian Parliament, the *New Rhenish Gazette* strongly urged the people to stop paying their taxes, and thus meet force by force. It inserted an admonition to that effect in a prominent place in every successive number,

and Marx was twice tried for sedition on account of this admonition, but each time acquitted. The newspaper, however, was finally suppressed by civil authority after the Dresden insurrection of May, 1849, its last number appearing on June 19th in red type, and containing Freiligrath's well-known "Farewell of the *New Rhenish Gazette*"—spiritedly translated for us by Ernest Jones—which declared that the journal went down with "rebellion" on its lips, but would reappear when the last of the German Crowns was overturned.

Farewell, but not for ever farewell!
They cannot kill the spirit, my brother;
In thunder I'll rise on the field where I fell,
More boldly to fight out another.
When the last of Crowns, like glass, shall break
On the scene our sorrows have haunted,
And the people its last dread "Guilty" shall speak,
By your side you shall find me undaunted.
On Rhine or on Danube, in war and deed,
You shall witness, true to his vow,
On the wrecks of thrones, in the midst of the field,
The rebel who greets you now.

This vow is no mere Parthian flourish of poetical defiance. Freiligrath and his friends undoubtedly believed at this time that the political movements of 1848 and 1849 were but preliminary ripples, and would be presently succeeded by a great flood-wave of revolution which they heard already sounding along in their dangerously expectant ear. His poem on the Revolution remains as evidence to us that in 1850 he still clung to that hope, and it would not have been out of tune with his sanguine beliefs of the year before if he promised, not merely that the spirit of the journal would rise again, but that its next number would be published, after the Deluge.

Meanwhile Marx went to London, where he remained for the rest of his life. Finding that the revolutionary spirit did not revive, and that historical societies, which have not lost their moral and economic vitality, had a greater readjusting power against political disturbance than he previously believed, he gave up for the next ten or twelve years the active work of revolutionizing. The Communist League, which had got disorganized in the revolutionary year, and was rent in two by

a bitter schism in 1850, was, with his concurrence, dissolved in 1852, on the ground that its propaganda was no longer opportune; and the story of the Brimstone League, with its iron discipline and ogrish desires, of which Mehring says Marx was, during his London residence, the head-centre, is simply a fairy tale of Karl Vogt's, whose baselessness Marx has himself completely exposed. Before leaving the Communist League, two circumstances may be mentioned, because they repeat themselves constantly in this revolutionary history. The one is that this schism took place not on a point of doctrine, but of opportunity; the extremer members thought the conflict in Germany on the Hessian question offered a good chance for a fresh revolutionary outbreak, and they left the League because their views were not adopted. The other is that in one of its last reports (quoted by Mehring) the League definitely justifies, and even recommends, assassination and incendiarism—"the so-called excesses, the inflictions of popular vengeance on hated individuals, or on public buildings which revive hateful associations." For the next ten years Marx lived quietly in London, writing for the *New York Tribune* and other journals, and studying modern industry on this its "classical soil." He read much in the British Museum Library, gaining his remarkable acquaintance with the English economic writers, and it was probably in this period he elaborated his famous doctrine of surplus value, with its corollary of the right of the labourer to the full product of his labour. There can be no doubt that the original suggestion of this doctrine came from English sources, for it was taught more than a generation before among the English socialists, notably by William Thompson in his "Inquiry into the Principles of the Distribution of Wealth," which was published as early as 1824, and is actually quoted by Marx in his work on Capital. Marx built up the doctrine, however, into a more systematic form, and it is through him and not through the Owenites it has come into the present socialist movement in which it plays so conspicuous a part. During this period of reading and rumination, Marx published a pamphlet against Louis Napoleon; another against Lord Palmerston, which was widely circulated by David Urquhart; a third of a personal and bitter character

against his fellow-socialist, Karl Vogt; and a more solid and important work, the "Kritik der Politischen Oekonomie" (1859), the firstfruits of his new economic studies. But a revolutionist never permanently gives up revolutionizing, and after his prolonged abstinence from that excitement, Marx returned to it again in 1864, on the foundation of the famous International Working Men's Association.

The International was simply the Communist League raised again from the dead. Their principles were the same; their constitution was the same; and Marx began his inaugural address to the International in 1864 with the very words that concluded his Communistic Manifesto of 1847, "Proletarians of all nations, unite!" When the representatives of the English working men first suggested the formation of an international working men's association, in the address they presented in the Freemasons' Tavern to the French working men who were sent over at the instance of Napoleon III. to the London Exhibition of 1862, they certainly never dreamt of founding an organization of revolutionary socialist democracy which in a few years to come was to wear a name at which the world turned pale. Their address was most moderate and sensible. They said that some permanent medium of interchanging thoughts and observations between the working men of different countries was likely to throw light on the economic secrets of societies, and to help onwards the solution of the great labour problem. For they declared that that solution had not yet been discovered, and that the socialist systems which had hitherto professed to propound it were nothing but magnificent dreams. Moreover, if the system of competition were to continue, then some arrangement of concord between employer and labourer must be devised, and in order to assert the views of the labouring class effectively in that arrangement, a firm and organized union must be established among working men, not merely in each country, but in all countries, for their interests, both as citizens and as labourers, were everywhere identical. Those ideas would constitute the basis of a very rational and moderate programme. But when, in the following year, after a meeting in favour of the Polish insurrection, which was held in St. Martin's Hall under the presidency of Professor Beesly,

and at which some of the French delegates of 1862 were present, a committee was appointed to follow up the suggestion, this committee asked Marx to prepare a programme and statutes for the proposed association, and he impressed upon it at its birth the stamp of his own revolutionary socialism. He never had a higher official position in the International than corresponding secretary for Germany, for it was determined, probably with the view of securing a better hold of the great English working class and their extensive trade organizations, that the president and secretary should be English working men, and then, after a time, the office of president was abolished altogether because it had a monarchical savour. But Marx had the ablest, the best informed, and probably the most made-up mind in the council; he governed without reigning; and, with his faithful German following, he exercised an almost paramount influence on its action from first to last, in spite of occasional revolts and intrigues against an authority which democratic jealousy resented as dictatorial, or—worse still—monarchical. The statutes of the association, which were adopted at the Geneva Congress of 1866, declared that "the economic subjection of the labourer to the possessor of the means of labour, *i.e.* of the sources of life, is the first cause of his political, moral, and material servitude, and that the economic emancipation of labour is consequently the great aim to which every political movement ought to be subordinated." Now no doubt the "economic emancipation of labour" meant different things to different sections of the Association's members. To the English trades unionists it meant practically better wages; to the Russian nihilists it meant the downfall of the Czar and of all central political authority, and leaving the socialistic communal organization of their country to manage itself without interference from above; to some of the French members (as appeared at the Lausanne Congress in 1867) it meant the nationalization of credit and all land except that held by peasant proprietors, a class which it was necessary to maintain as a counterpoise to the State; while, to the German socialists, it meant the abolition of wages, the nationalization of land and the instruments of production, the assumption by the State of a supreme direction of all trade, commerce, finance

and agriculture, and the distribution by the State of land, tools, and materials to guilds and productive associations as the actual industrial executive. There were thus very different elements in the composition of the International, but a *modus vivendi* was found for some years by nursing an ultimate ideal, which was desirable, and meanwhile practically working for a proximate and much narrower ideal, which was more immediately feasible or necessary. The association could thus hold that nothing could benefit the working class but an abolition of wages, and could yet, as it sometimes did, help and encourage strikes which wanted only to raise wages. At its Congress in Brussels in 1868 it declared that a strike was not a means of completely emancipating the labourers, but was often a necessity in the present situation of labour and capital. Most of the other practical measures to which the association addressed itselt—the eight hours normal day of labour, gratuitous education, gratuitous justice, universal suffrage, abolition of standing armies, abolition of indirect taxes, prohibition of children's labour, State credit for productive associations—contemplated modifications of the existing system of things, but always contemplated them as aids to and instalments of the coming transformation of that system. The consciousness was constantly preserved that a revolution was impending, and that, as Lassalle said, it was bound to come and could not be checked, whether it approached by sober advances from concession to concession, or flew, with streaming hair and shod with steel, right into the central stronghold.

This was very much the keynote struck by Marx in his inaugural address. That address was simply a review of the situation since 1848, and an encouragement of his forces to a renewal of the combat. Wealth had enormously increased in the interval; colonies had been opened, new inventions discovered, free trade introduced; but misery was not a whit the less; class contrasts were even deeper marked, property was more than ever in the hands of the few; in England the number of landowners had diminished eleven per cent. in the preceding ten years; and if this rate were to continue, the country would be rapidly ripe for revolution. While the old order ot things was thus hastening to its doom, the new order of things

had made some advances. The Ten Hours Act was "not merely a great practical result, but was the victory of a principle. For the first time the political economy of the *bourgeoisie* had been in clear broad day put in subjection to the political economy of the working class." Then, again, the experiment of co-operation had now been sufficiently tried to show that it was possible to carry on industry without the intervention of an employing class, and had spread abroad the hope that wage labour was, like slavery and feudal servitude, only a transitory and subordinate form, which was destined to be superseded by associated labour. The International had for its aim to promote this associated labour; only it sought to do so, not piecemeal and sporadically, but systematically, on a national scale, and by State means. And for this end the labouring class must first acquire political power, so as to obtain possession of the means of production; and to acquire political power, they must unite.

The International, though, as we have seen, possessing no real solidarity in its composition, held together till the outbreak of the Franco-German war, and of the revolution of the Paris Commune. It was, of course, strongly opposed to the war, as it was to all war; and strongly in favour of the revolution, as it was of all revolution. Its precise complicity in the work of the Commune is not easy to determine, but there can be no doubt that its importance has been greatly exaggerated, both by the fears of his enemies and the vanity of its members. Some of the latter were certainly among those who sat in the Hôtel de Ville, but none of them were leading minds there; and, as for the Association itself, it never had a real membership, or ramifications, of any formidable extent. For example, the English trades unions were in connection with it, and their members might be, in a sense, counted among its members, but it is certain they never recognised it as an authority over them, and they probably subscribed to it mainly as to a useful auxiliary in a strike. The leaders of the International, however, were, undoubtedly, heart and soul with the Commune, and approved probably both of its aims and methods, and Marx, at the Congress of the International, at the Hague, in 1872, drew from its failure the lesson that "revolution must be solidary" in order to succeed. A revolution in one capital

of Europe must be supported by simultaneous revolutions in the rest. But, while there is little ground for the common belief that the International had any important influence in creating the insurrection of the Commune, it is certain that the insurrection of the Commune killed the International. The English members dropped off from it and never returned, and at its first Congress after the revolution (the Hague, 1872), the Association itself was rent by a fatal schism arising from differences of opinion on a question as to the government of the society of the future, which would probably not have become a subject of such keen present interest at the time but for the Paris Commune. The question concerned the maintenance or abolition of the State, of the supreme central political authority, and the discussion brought to light that the socialists of the International were divided into two distinct and irreconcilable camps—the Centralist Democratic Socialists, headed by Marx, and the Anarchist Socialists, headed by Michael Bakunin, the Russian revolutionist. The Marxists insisted that the socialist *régime* of collective property and systematic co-operative production could not possibly be introduced, maintained, or regulated, except by means of an omnipotent and centralized political authority—call it the State, call it the collectivity, call it what you like—which should have the final disposal of everything. The Bakunists held that this was just bringing back the old tyranny and slavery in a more excessive and intolerable form. They took up the tradition of Proudhon, who said that "the true form of the State is anarchy," meaning by anarchy, of course, not positive disorder, but the absence of any supreme ruler, whether king or convention. They would have property possessed and industry pursued on a communistic principle by groups or associations of workmen, but these groups must form themselves freely and voluntarily, without any social or political compulsion. The Marxists declared that this was simply a retention of the system of free competition in an aggravated form, that it would only lead to confusion worse confounded, and that the Bakunists, even in trying to abolish the evils of *laissez-faire*, were still foolishly supposing that the world could go of itself. This division of opinion—really a broader one than that which parts socialist from orthodox economist—rent

the already enfeebled International into two separate organizations, which languished for a year or two and passed away. And so, with high thoughts of spreading a reign of fraternity over the earth, the International Working Men's Association perished, because, being only human, it could not maintain fraternity in its own narrow borders. This is a history that repeats itself again and again in socialist movements. As W. Marr said in the remark quoted above, revolutionists will only unite on a negation; the moment they begin to ask what they will put in its place they differ and dispute and come to nought. Apprehend them, close their meetings, banish their leaders, and you but knit them by common suffering to common resistance. You supply them with a negation of engrossing interest, you preoccupy their minds with a negative programme which keeps them united, and so you prevent them from raising the fatal question—What next? which they never discuss without breaking up into rival sects and factions, fraternal often in nothing but their hatred. "It is the shades that hate one another, not the colours." Such disruptions and secessions may—as they did in Germany—by emulation increase for a time the efficiency of the organization as a propagandist agency, but they certainly diminish its danger as a possible instrument of insurrection. A socialist organization seems always to contain two elements of internal disintegration. One is the prevalence of a singular and almost pathetic mistrust of their leaders, and of one another. The law of suspects is always in force among themselves. At meetings of the German Socialists, Liebknecht denounces Schweitzer as an agent of the Prussian Government, Schweitzer accuses Liebknecht of being an Austrian spy, and the frequent hints at bribery, and open charges of treason against the labourers' cause, disclose to us now duller and now more acute phases of that unhappy state of mutual suspicion, in which the one supreme, superhuman virtue, worthy to be worshipped, if haply it could anywhere be discovered, is the virtue men honoured oven in Robespierre —the incorruptible. The other source of disintegration is the tendency to intestine divisions on points of doctrine. A reconstruction of society is necessarily a most extensive programme, and allows room for the utmost variety of opinion

and plan. The longer it is discussed, the more certainly do differences arise, and the movement becomes a strife of schools in no way formidable to the government. All this only furnishes another reason for the conclusion that in dealing with socialist agitations, a government's safest as well as justest policy is, as much as may be, to leave them alone. Their danger lies in the cloudiness of their ideas, and that can only be dispersed in the free breezes of popular discussion. The sword is an idle method of reasoning with an idea; an idea will eventually yield to nothing but argument. Repression, too, is absolutely impossible with modern facilities of inter-communication, and can at best but drive the offensive elements for a time into subterranean channels, where they gather like a dangerous choke-damp that may occasion at any moment a serious explosion.

After the fall of the International, Marx took no further part in public movements, but occupied his time in completing his work *Das Capital*, under frequent interruption from ill-health, and he died in Paris in the spring of 1883, leaving that work still unfinished.

The *Das Capital* of Marx may be said to be the sacred book of contemporary socialism, and though, like other sacred books, it is probably a sealed one to the body of the faithful, for it is extremely stiff reading, it is the great source from which socialist agitators draw their inspiration and arguments. Apart from the representative authority with which it is thus invested, it must be at once acknowledged to be an able, learned, and important work, founded on diligent research, evincing careful elaboration of materials, much acuteness of logical analysis, and so much solicitude for precision that a special terminology has been invented to secure it. The author's taste for logical distinctions, however, as he has actually applied it, serves rather to darken than to elucidate his exposition. He overloads with analysis secondary points of his argument which are clear enough without it, and he assumes without analysis primary positions which it is most essential for him to make plain. His style and method carries us back to the ecclesiastical schoolmen. His superabounding

love of scholastic formalities is unmodern; and one may be permitted to hope that the odium more than theological with which he speaks of opponents has become unmodern too.

Marx's argument takes the form of an inquiry into the origin and social effects of capital; understanding the word capital, however, in a peculiar sense. Capital, according to the elementary teaching of political economy, always means the portion of wealth which is saved from immediate consumption to be devoted to productive uses, and it matters not whether it is so saved and devoted by the labourer who is to use it, or by some other person who lends it to the labourer at interest or employs the labourer to work with it at a fixed rate of wages. A fisherman's boat is capital as much as a Cunard Company's steamer, although the boat is owned by the person who sails it and the steamer by persons who may never have seen it. The fisherman is labourer and capitalist in one, but in the case of the steamer the capital is supplied by one set of people and the labour undertaken by another. Now Marx speaks of capital only after this division of functions has taken place. It is, he says, not a logical but a historical category. In former times men all wrought for the supply of their own wants, the seed and stock they received was saved and owned by themselves, capital was an instrument in the hands of labour. But in modern times, especially since the rise of foreign commerce in the 16th century, this situation has been gradually reversed. Industry is now conducted by speculators, who advance the stock and pay the labourer's wages, in order to make gain out of the excess of the product over the advances, and labour is a mere instrument in the hands of capital. The capitalist is one who, without being personally a producer, advances money to producers to provide them with materials and tools, in the hope of getting a larger sum of money in return, and capital is the money so advanced. With this representation of capital as money, so long as it is but a popular form of speech, no fault need be found, but Marx soon after falls into a common fallacy and positively identifies capital with money, declaring them to be only the same thing circulating in a different way. Money as money, he says, being a mere medium of exchange,

is a middle term between two commodities which it helps to barter, and the order of circulation is C— M— C, i.e. *commodity* is converted into *money* and *money* is reconverted into *commodity*. On the other hand, money as capital stands at the two extremes, and commodity is a middle term, a medium of converting one sum of money into another and greater; the order of circulation being expressed as M— C— M. Of course capital, like other wealth, may be expressed in terms of money, but to identify capital with money in this way is only to introduce confusion, and the real confusion is none the less pernicious that it presents itself under an affectation of mathematical precision.

Capital, then, as Marx understands it, may be said to be independent wealth employed for its own increase, and in "societies in which the capitalistic method of production prevails" all wealth bears distinctively this character. In more primitive days, wealth was a store of means of life produced and preserved for the supply of the producer's future wants, but now it "appears as a huge collection of wares," made for other people's wants, made for sale in the market, made for its own increase. What Marx wants to discover is how all this independent wealth has come to accumulate in hands that do not produce it, and in particular from whence comes the increase expected from its use, because it is this increase that enables it to accumulate. What he endeavours to show is that this increase of value cannot take place anywhere except in the process of production, that in that process it cannot come from the dead materials, but only from the living creative power of labour that works upon them, and that it is accordingly virtually stolen from the labourers who made it by the superior economic force of the owners of the dead materials, without which indeed it could not be made, but whose service is entitled to a much more limited reward.

No increase of value, he contends, can occur in the process of exchange, for an exchange is a mere transposition of things of equal value. In one sense both parties in the transaction are gainers, for each gets a thing he wants for a thing he does not want. The usefulness of the two commodities is thus increased by the exchange, but their value is not. An exchange simply

means that each party gives to the other equal value for equal value, and even if it were possible for one of them to make a gain in value to-day—to get a more valuable thing for a less valuable thing—still, as all the world is buyer and seller in turn, they would lose to-morrow as buyers what they gained to-day as sellers, and the old level of value would be restored. No increase whatever would be effected. There is indeed a class of people whom he describes as always buying and never selling—the unproducing class who live on their money, and who, he says, receive by legal titles or by force wealth made by producers without giving anything in exchange for it. And it may be supposed that perhaps value is created by selling things to this class of persons, or by selling things to them above their true value, but that is not so; you would have brought no new value into the world by such a transaction, and even if you got more for your goods than their worth, you would only be cheating back from these rich people part of the money that they had previously received for nothing. Another supposition remains. Perhaps new value is created in the process of exchange when one dealer takes advantage of another—when Peter, say, contrives to induce Paul to take £40 worth of wine for £50 worth of iron. But in this case there has been no increase of value; the value has merely changed hands; Peter has £10 more than he had before, and Paul £10 less. The commodities have between them after the transaction, as they had before it, a total value of £90, and that total cannot be increased by a mere change of possessor.

Having thus established to his satisfaction that commerce, being only a series of exchanges, cannot produce any increase of value, or what he terms surplus value, Marx says that that only makes the problem of the origin of surplus value more enigmatical than ever. For we are thus left in presence of an apparent contradiction: surplus value cannot spring up in the circulation of commodities because circulation is nothing but an exchange of equivalents; and yet surplus value cannot spring up anywhere except in circulation, because the class of persons who receive it and live by it do not produce. Here, then, is a riddle, and Marx sets himself to rede it. True, he

says, value is not created directly in the market, but a commodity is purchased in the market which has the remarkable property of creating value. That commodity is the human powers of labour. The very use of these powers, their consumption, their expenditure, is the creation of value. But marvellous as they are, their possessor is obliged to sell them, because while they are yielding their product he must meanwhile live, and he sells a day's use of them for a day's means of living. They create in a day far more than the value of the wages for which they are bought. This excess is surplus value, and is the secret and fountainhead of all accumulations of capital. Powers which can create six shillings worth in a day may be procured in the market for three shillings, because three shillings will pay for their necessary maintenance. Surplus value is the difference between the value of the labourer's necessary maintenance and the value of the labourer's production, and it is in the present system entirely appropriated by the dealer who advances him his wages.

Marx thus bases his argument on two principles which he borrows from current economic writers, without, however, observing the limitations under which those writers taught them, and introducing besides important modifications of his own. The one principle is that value comes from labour, or as economists stated their law, that the natural value of commodities is determined by the cost of their production. The second is only a special application of the first; that the natural wages of labour are determined by the cost of its production, and that the cost of the production of labour is the cost of the labourer's subsistence. The fault he finds with the present system is accordingly this, that while labour creates all value it is paid only by its stated living, no matter how much value it creates; and he then goes over the phenomena of modern industrial life to show how each arrangement is invented so as to extract more and more value out of the labourer by prolonging his hours of work or enhancing its speed without giving him any advantage whatever from the increase of value so obtained. We shall get a fair view of Marx's argument, therefore, if we follow it through the successive heads: 1st, Value; 2nd, Wages; 3rd, Normal day of

labour; 4th, Machinery; 5th, Piecework; 6th, Relative over-population.

1st. *Value.* Marx holds that all capital—all industrial advances except wages—is absolutely unproductive of value, and therefore not entitled to the acknowledgment known as interest. The original value of all such capital—the purchase price of the materials, together with a certain allowance made for tear and wear of machinery—is carried forward into the value of the product, and preserved in it, and even that could not be done except by labour. The old value is preserved by labour, and all new value is conferred by it, and therefore interest is a consideration entirely out of the question. It is obvious to object that labour by itself is as unproductive as capital by itself, but Marx would reply that while labour and capital are equally indispensable to produce new commodities, it is labour alone that produces new value, for value is only so much labour preserved, it is merely a register of so many hours of work. His whole argument thus turns upon his doctrine of the nature of value, and that doctrine must therefore be closely attended to.

What, then, is value? Marx considers that most errors on this subject have arisen from confusing value with utility on the one hand or with price on the other, and he regards his discrimination of value from these two ideas as his most important contribution to political economy. He takes his start from the distinction current since the days of Adam Smith between value in use and value in exchange, and of course agrees with Smith in making the value of a commodity in exchange to be independent of its value in use. Water had great value in use and none in exchange, and diamonds had great value in exchange and little in use. Value in use is therefore not value strictly so called, it is utility; but strictly speaking value in exchange, according to Marx, is not value either, but only the form under which in our state of society value manifests itself. There was no exchange in primitive society when every family produced things to supply its own wants, and there would be no exchange in a communism, for in an exchange the transacting parties stand to one another equally as private proprietors of the goods they barter. And

where there was no exchange there could of course be no exchange value. No doubt there was value for all that in primitive times, and there would be value under a communism, though it would manifest itself in a different form. But as we live in an exchanging society, where everything is made for the purpose of being exchanged, it is in exchange alone that we have any experience of value, and it is only from an examination of the phenomena of exchange that we can learn its nature.

What, then, is value in exchange? It is the ratio in which one kind of useful commodity exchanges against another kind of useful commodity. This ratio, says Marx, does not in the least depend on the usefulness of the respective commodities, or their capacity of gratifying any particular want. For, first, that is a matter of quality, whereas value is a ratio between quantities; and second, two different kinds of utility cannot be compared, for they have no common measure; but value, being a ratio, implies comparison, and comparison implies a common measure. A fiddle charms the musical taste, a loaf satisfies hunger, but who can calculate how much musical gratification is equivalent to so much satisfaction of hunger. The loaf and the fiddle may be compared in value, but not by means of their several uses. Third, there are many commodities which are useful and yet have no value in exchange: air, for example, water, and, he adds, virgin soil. In seeking what in the exchange the value depends on, we must therefore leave the utility of the commodities exchanged entirely out of account; and if we do so, there is only one other attribute they all possess in common, and it must be on that attribute that their value rests. That attribute is that they are all products of labour. While we looked to the utility of commodities, they were infinite in their variety, but now they are all reduced to one sober characteristic they are so many different quantities of the same material, labour. Diversity vanishes; there are no longer tables and chairs and houses, there is only this much and that much and the next amount of preserved human labour And this labour itself is not discriminated. It is not joiner work, mason work, or weaver work; it is merely human labour in the abstract, incorporated, absorbed, congealed in exchange-

able commodities. In an exchange commodities are quantities of labour jelly, and they exchange in the ratio of the amount of labour they have taken in.

Value, then, is quantity of abstract labour, and now what is quantity of labour? How is it to be ascertained? Labour is the exertion or use of man's natural powers of labour, and the quantity of labour is measured by the duration of the exertion. Quantity of labour is thus reduced to time of labour, and is measured by hours and days and weeks. Marx accordingly defines value to be an immanent relation of a commodity to time of labour, and the secret of exchange is that "a day's labour of given length always turns out a product of the same value." Value is thus something inherent in commodities before they are brought to market, and is independent of the circumstances of the market.

Marx has no sooner reduced value to the single uniform element of time of labour, and excluded from its constitution all considerations of utility and the state of the market, than he reintroduces those considerations under a disguised form. In the first place, if a day's labour of given length always produces the same value, it is obvious to ask whether then an indolent and unskilful tailor who takes a week to make a coat has produced as much value as the more expert hand who turns out six in this time, or, with the help of a machine, perhaps twenty? Marx answers, Certainly not, for the time of labour which determines value is not the time actually taken, but the time required in existing social conditions to produce that particular kind of commodity—the time taken by labour of average efficiency, using the means which the age affords—in short, what he calls the socially necessary time of labour. Value is an immanent relation to socially necessary time of labour. Marx's standard is thus, after all, not one of quantity of labour pure and simple; it takes into account, besides, the average productive power of labour in different branches of industry. "The value of a commodity," says he, "changes directly as the quantity, and inversely as the productive power, of the labour which realizes itself in that commodity." Before we know the value of a commodity we must therefore know not only the quantity of labour that has gone into it, but the

productive power of that labour. We gather the quantity from the duration of exertion, but how is average productive power to be ascertained? By simply ascertaining the total product of all the labour engaged in a particular trade, and then striking the average for each labourer. Diamonds occur rarely in the crust of the earth, and therefore many seekers spend days and weeks without finding one. Hits and misses must be taken together; the productive power of the diamond seeker is low; or, in other words, the time of labour socially necessary to procure a diamond is high, and its value corresponds. In a good year the same labour will produce twice as much wheat as in a bad; its productive power is greater; the time socially necessary to produce wheat is less, and the price of the bushel falls. The value of a commodity is therefore influenced by its comparative abundance, whether that be due to nature, or to machinery, or to personal skill.

But, in the next place, if value is simply so much labour, it would seem to follow, on the one hand, that nothing could have value which cost no labour, and, on the other, that nothing could be devoid of value which cost labour. Marx's method of dealing with these two objections deserves close attention, because it is here that the fundamental fallacy of his argument is brought most clearly out. He answers the first of them by drawing a distinction between *value* and *price*, which he and his followers count of the highest consequence. Things which cost no labour may have a *price*, but they have no *value*, and, as we have seen, he mentions among such things conscience and virgin soil. No labour has touched those things; they have no immanent relation to socially necessary time of labour; they have not, and cannot have, any value, as Marx understands value. But then, he says, they command a price. Virgin soil is actually sold in the market; it may procure things that have value though it has none itself. Now, this distinction between value and price has no bearing on the matter at all, for the simple reason that, as Marx himself admits, price is only a particular form of value. Price, he says, is "the money form of value"; it is value expressed in money; it is the exchange value of a commodity for money. To say that uncultivated land may have a price but not a

value is, on Marx's own showing, to say that it has an exchange value which can be definitely measured in money, and has yet no value. But he has started from the phenomena of exchange; he has told us that exchange value is the only form in which we experience value now; and he thus arrives at a theory of value which will not explain the facts. If he argued that a thing had value, but no exchange value, his position might be false, but he says that a thing may have exchange value but no value, and so his position is contradictory. Moreover, he describes money accurately enough as a measure of value, and says that it could not serve this function except it were itself valuable, *i.e.*, unless it possessed the quality that makes all objects commensurable, the quality of being a product of labour. Yet here we find him admitting that virgin soil, which, *ex hypothesi*, does not possess that quality, and ought therefore to be incommensurable with anything that possesses it, is yet measured with money every day. Such are some of the absurdities to which Marx is reduced by refusing to admit that utility can confer value independently of labour.

Let us see now how he deals with the other objection. If labour is just value-forming substance, and if value is just preserved labour, then nothing which has cost labour should be destitute of value. But Marx frankly admits that there are such things which have yet got no value; and they have no value, he explains, because they have no utility. "Nothing can have value without being useful. If it is useless, the work contained in it is useless, and therefore has no value." He goes further; he says that a thing may be both useful and the product of labour and yet have no value. "He who by the produce of his labour satisfies wants of his own produces utility but not value. To produce a ware, *i.e.*, a thing which has not merely value in use, but value in exchange, he must produce something which is not only useful to himself, but useful to others," *i.e.*, socially useful. A product of labour which is useless to the producer and everybody else has no value of any sort; a product of labour which, while useful to the producer, is useless to any one else, has no exchange value. It satisfies no want of others. This would seem to cover the case of over-production, when commodities lose their value for

a time because nobody wants them. Lassalle explained this depreciation of value by saying that the time of labour socially necessary to produce the articles in question had diminished. Marx explains it by saying that the labour is less socially useful or not socially useful at all. And why is the labour not socially useful? Simply because the product is not so. The social utility or inutility of the labour is a mere inference from the social utility or inutility of the product, and it is therefore the latter consideration that influences value. Marx tries in vain to exclude the influence of that consideration, or to explain it as a mere subsidiary qualification of labour. Labour and social utility both enter equally into the constitution of value, and Marx's radical error lies in defining value in terms of labour only, ignoring utility.

For what, after all, is value? Is Marx's definition of it in the least correct? No. Value is not an inherent relation (whatever that may mean) of a commodity to labour; it is essentially a social estimate of the relative importance of commodities to the society that forms the estimate. It is not an immanent property of an object at all; it is a social opinion expressed upon an object in comparison with others. This social opinion is at present collected in an informal but effective way, through a certain subtle tact acquired in the market by dealers representing groups of customers on the one hand, and manufacturers representing groups of producers on the other; and it may be said to be pronounced in the verdict of exchange, *i.e.*, according to Mill's definition of value, in the quantity of one commodity given in exchange for a given quantity of another. Now, on what does this social estimate of the relative importance of commodities turn? In other words, by what is value and difference in value determined? Value is constituted in every object by its possession of two characteristics: 1st, that it is socially useful; 2nd, that it costs some labour or trouble to procure it. No commodity lacks value which possesses both of these characteristics; and no commodity has value which lacks either of them. Now there are two kinds of commodities. Some may be produced to an indefinite amount by means of labour, and since all who desire them can obtain them at any time for the labour they cost,

their social desirableness, their social utility, has no influence on their value, which, therefore, always stands in the ratio of their cost of production alone. Other classes of commodities cannot be in this way indefinitely multiplied by labour; their quantity is strictly limited by natural or other causes; those who desire them cannot get them for the mere labour of producing them; and the value of commodities of this sort will consequently always stand in excess of their relative cost of production, and will be really determined by their relative social utility. In fact, so far from the labour required for their production being any guide to their value, it is their value that will determine the amount of labour which will be ventured in their production. A single word may be added in explanation of the conception of social utility. Of course a commodity which is of no use to any one but its owner has no economic value, unless it happens to get lost, and, in any case, it is of no consequence in the present question. The social utility of a commodity is its capacity to satisfy the wants of others than the possessor, and it turns on two considerations: 1st, the importance of the want the commodity satisfies, and, 2nd, the number of persons who share the want. All commodities which derive a value from their rarity or their special excellence belong to this latter class, and the vice of Marx's theory of value is simply this, that he takes a law which is true of the first class of commodities only to be true of all classes of them.

2. *Wages.* Having concluded by the vicious argument now explained that all value is the creation of the personal labour of the workman—is but the registered duration of exertion of his labouring powers—Marx next proceeds to show that, as things at present exist, the value of these labouring powers themselves is fixed not by what they create but by what is necessary to create or at least renovate them. The rate of wages, economists have taught, is determined by the cost of the production of labouring powers, and that is identical with the cost of maintaining the labourer in working vigour. Marx accepts the usual explanations of the elasticity of this standard of cost of subsistence. It includes, of course, the maintenance

of the labourer's family as well as his own, because he will die some day, and the permanent reproduction of powers of labour requires the birth of fresh hands to succeed him. It must also cover the expenses of training and apprenticeship, and Marx would probably agree to add, though he does not actually do so, a superannuation allowance for old age. It contains, too, a variable historical element, differs with climate and country, and is, in fact, just the customary standard of living among free labourers of the time and place. The value of a commodity is the time of labour required to deliver it in *normal goodness*, and to preserve the powers of labour in normal goodness a definite quantity of provisions and comforts is necessary according to time, country, and customs. The part of the labouring day required to produce this definite quantity of provisions and comforts for the use of the day may be called the *necessary time of labour*—the time during which the workman produces what is necessary for keeping him in existence—and the value created in this season may be called *necessary value*. But the workman's physical powers may hold on labouring longer than this, and the rest of his working day may accordingly be called *surplus time of labour*, and the value created in it *surplus value*. This surplus value may be created or increased in two ways: either by reducing or cheapening the labourer's subsistence, *i.e.*, by shortening the term of necessary labour; or by prolonging the length of the working day, *i.e.*, by increasing the term of surplus labour. There are limits indeed within which this kind of action must stop. The quantity of means of life cannot be reduced below the minimum that is physically indispensable to sustain the labourer for the day, and the term of labour cannot be stretched beyond the labourer's capacity of physical endurance. But within these limits may be played an important *rôle*, and the secret of surplus value lies in the simple plan of giving the labourer as little as he is able to live on, and working him as long as he is able to stand. A labourer works 12 hours a day because he cannot work longer and work permanently and well, and he gets three shillings a day of wages, because three shillings will buy him the necessities he requires. In six hours' labour he will create three shillings' worth of

value, and he works the other six hours for nothing, creating three shillings' worth of surplus value for the master who advances him his wages. It is from these causes that we come on the present system of things to the singular result that powers of labour which create six shillings a day are themselves worth only three shillings a day. This absurd conclusion, says Marx, could never have held ground for an hour, had it not been hid and disguised by the practice of paying wages in money. This makes it seem as if the labourer were paid for the whole day when he is only paid for the half. Under the old system of feudal servitude there were no such disguises. The labourer wrought for his master one day, and for himself the other five, and there was no make-believe as if he were working for himself all the time. But the wages system gives to surplus labour that is really unpaid the false appearance of being paid. That is the mystery of iniquity of the whole system, the source of all prevailing legal conceptions of the relation of employer and employed, and of all the illusions about industrial freedom. The wages system is the lever of the labourer's exploitation, because it enables the capitalist to appropriate the entire surplus value created by the labourer—*i.e.*, the value he creates over and above what is necessary to recruit his labouring powers withal.

Now surplus value, as we have seen, is of two kinds, absolute and relative. Absolute surplus value is got by lengthening the term of surplus labour; relative surplus value by shortening the term of necessary labour, which is chiefly done by inventions that cheapen the necessaries of life. The consideration of the first of these points leads Marx into a discussion of the normal length of the day of labour; and the consideration of the second into a discussion of the effects of inventions and machinery on the condition of the working classes. We shall follow him on these points in their order.

3. *Normal day of labour.* There is a normal length of the day of labour, and it ought to be ascertained and fixed by law. Some bounds are set to it by nature. There is a minimum length, for example, beneath which it cannot fail; that minimal limit is the time required to create an equivalent to

the labourer's living; but as under the capitalistic system the capitalist has also to be supported out of it, it can never be actually shortened to this minimum. There is also a maximum length above which it cannot rise, and this upper limit is fixed by two sorts of considerations, one physical, the other moral. 1st. *Physical limits.* These are set by the physical endurance of the labourer. The day of labour cannot be protracted beyond the term within which the labourer can go on from day to day in normal working condition to the end of his normal labouring career. This is always looked to with respect to a horse. He cannot be wrought more than eight hours a day regularly without injury. 2nd. *Moral limits.* The labourer needs time (which the horse does not, or he would perhaps get it) for political, intellectual, and social wants, according to the degree required by society at the time. Between the maximum and minimum limit there is, however, considerable play-room, and therefore we find labouring days prevailing of very different length, 8 hours, 10, 12, 14, 16, and even 18 hours. There is no principle in the existing industrial economy which fixes the length of the day; it must be fixed by law on a sound view of the requirements of the case. Marx pitches upon 8 hours as the best limit, because it affords a security for the permanent physical efficiency of the labourer, and gives him leisure for satisfying those intellectual and social wants which are becoming every day more largely imperative. He makes no use of the reason often urged for the 8 hours day, that the increased intelligence it would tend to cultivate in the working class would in many ways conduce to such an increase of production as would justify the shorter term of work. But he is very strong for the necessity of having it fixed by law, and points out that even then employers will need to be carefully watched or they will find ways and means of extending the day in spite of the law. When the day was fixed in England at 10 hours in some branches of industry, some masters gained an extra quarter or half-hour by taking five minutes off each meal time, and the profit made in these five minutes was often very considerable. He mentions a manufacturer who said to him, "If you allow me ten minutes extra time every day, you put £1,000 a year into my pocket,"

and he says that is a good demonstration of the origin of surplus value, for how much of this £1,000 would be given to the man whose extra ten minutes' labour had made it? Marx enters very fully into the history of English factory legislation, acknowledges the great benefit it has conferred both upon the labouring class and the manufacturers, and says that since the Act of 1850 the cotton industry has become the model industry of the country. As might be expected, he thinks the gradual course taken by English legislation on the subject much inferior, as a matter of principle, to the more revolutionary method taken by France in 1848, when a twelve hours Act was introduced simultaneously as a matter of principle for every trade in the whole country; but he admits that the results were more permanent in England.

4. *Effects of machinery, and the growth of fixed capital on the working classes.* The whole progress of industrial improvements is a history of fresh creations of relative surplus value, and always for the benefit of the capitalist who advances the money. Everything that economizes labour or that adds positively to its productivity, contracts the labourer's own part of the working day and prolongs the master's. Division and subdivision of labour, combination, co-operation, organization, inventions, machinery, are all "on the one hand elements of historical progress and development in the economic civilization of society, but on the other are all means of civilized and refined exploitation of the labourer." They not only increase social wealth at his expense, but in many cases they do him positive injury. These improvements have cost capitalists nothing, though capitalists derive the whole advantage from them. Subdivision, combination, organization, are simply natural resources of social labour, and natural resources of any kind are not produced by the capitalist. Inventions, again, are the work of science, and science costs the capitalist nothing. Labour, association, science—these are the sources of the increase; capital is nowhere, yet it sits and seizes the whole. Machinery, of course, is capital, but then Marx will not admit that it creates any value, and contends that it merely transfers to the product the value it loses by tear and wear in the process

of production. The general effect of industrial improvements, according to Marx, is—1st, to reduce wages; 2nd, to prolong the day of labour; 3rd, to overwork one-half of the working class; 4th, to throw the rest out of employ; and, 5th, to concentrate the whole surplus return in the hands of a few capitalists who make their gains by exploiting the labourers, and increase them by exploiting one another. This last point we need not further explain, and the third and fourth we shall unfold under the separate heads of Piecework and Relative Over-population. The remaining two I shall take up now, and state Marx's views about a little more fully.

(*a*). Industrial improvements tend to reduce wages. They do so, says Marx, through first mutilating the labourer intellectually and corporeally. As a result of subdivision of labour, workmen are rapidly becoming mere one-sided specialists. Headwork is being separated more and more from handwork in the labourer's occupation, and this differentiation of function leads to a hierarchy of wages which affords great opportunity for exploiting the labourer. Muscular power is more easily dispensed with than formerly, and so the cheaper labour of women and children is largely superseding the dearer labour of men. If this goes on much further, the manufacturer will get the labour of a whole family for the wages he used to pay to its head alone, and the labourer will be converted into a slave-dealer who sells his wife and children instead of his own labour. That this kind of slavery will find no sort of resistance from either master or labourer, is to Marx's mind placed beyond doubt by the fact that though the labour of children under 13 years of age is restricted in English factories, advertisements appear in public prints for "children that can pass for 13."

(*b*). Industrial improvements tend to lengthen the day of labour. Machinery can go on for ever, and it is the interest of the capitalist to make it do so. He finds, moreover, a ready and specious pretext in the greater lightness of the work as compared with hand labour, for keeping the labourer employed beyond the normal limits of human endurance. Capitalists always complain that long hours are a necessity in consequence of the increasing extent of fixed capital which cannot other-

wise be made to pay. But this is a mistake on their part, says Marx. For, according to the factory inspector's reports, shortening the day of labour to 10 hours has increased production and not diminished it, and the explanation is that the men can work harder while they are at it, if the duration of their labour is shortened. Shortening the day of labour has not only increased production, but actually increased wages. Mr. Redgrave, in his Report for 1860, says that during the period 1839–1859 wages rose in the branches of industry that adopted the ten hours' principle, and fell in trades where men wrought 14 and 15 hours a day. Small wages and long hours are always found to go together, because the same causes which enable the employer to reduce wages enable him to lengthen the labouring day.

5. *Piecework.* Industrial improvements tend, Marx maintains, to overwork, to undue intensification of labour, for machinery can go at almost any rate all day and all night, and labourers are compelled by various expedients to work up to it. Among these expedients none is more strongly condemned by Marx than piecework, as encouraging over-exertion and overtime. He says that though known so early as the 14th century, piecework only came into vogue with the large system of production, to which he thinks it the most suitable form of payment. He states (though this is not quite accurate) that it is the only form of payment in use in workshops that are under the factory acts, because in these workshops the day of labour cannot be lengthened, and the capitalist has no other way open to him of exploiting the labourer but by increasing the intensity of the labour. He ridicules the idea of a writer who thought "the system of piecework marked an epoch in the history of the working man, because it stood halfway between the position of a mere wage labourer depending on the will of the capitalist and the position of the co-operative artisan who in the not distant future promises to combine the artisan and the capitalist in his own person." Better far, he holds, for the labourer to stick to day's wages, for he can be much more easily and extensively exploited by the piece system. He contends that experience has proved this in trades

like the compositors and ship carpenters, in which both systems of payment are in operation side by side, and he cites from the factory inspectors' reports of 1860 the case of a factory employing 400 hands, 200 paid by the piece and 200 by the day. The piece hands had an interest in working overtime, and the day hands were obliged to follow suit without receiving a farthing extra for the additional hour or half-hour. This might be stopped by further legislation, but then Marx holds that the system of piece payment is so prone to abuse that when one door of exploitation shuts another only opens, and legislation will always remain ineffectual. Every peculiarity of the system furnishes opportunity either for reducing wages or increasing work. On the piece system the worth of labour is determined by the worth of the work it does, and unless the work possess average excellence the stipulated price is withheld. There is thus always a specious pretext ready to the employer's hand for making deductions from wages on the ground that the work done did not come up to the stipulated standard. Then again, it furnishes the employer with a definite measure for the intensity of labour. He judges from the results of piecework how much time it generally takes to produce a particular piece, and labourers who do not possess the average productivity are turned off on the ground that they are unable to do a minimum day's work. Even those who are kept on get lower average wages than they would on the day system. The superior workman earns indeed better pay working by the piece, but the general body do not. The superior workman can afford to take a smaller price per piece than the others, because he turns out a greater number of pieces in the same time, and the employer fixes, from the case of the superior workman, a standard of payment which is injurious to the rest. In the end a change from day's wages to piece wages will thus be found to have merely resulted in the average labourer working harder for the same money. Marx, however, admits that when a definite scale of prices has been in long use and has become fixed as a custom, there are so many difficulties to its reduction that employers are obliged, when they seek to reduce it, to resort to violent methods of transforming it into time wages again. He gives an example of

this from the strike of the Coventry ribbon-weavers in 1860, in resistance to a transformation of this kind.

These are only some of the evils Marx lays at the door of piecework; he has many more charges. From rendering the superintendence of labour unnecessary, it leads to abuses like the sub-contracts known in this country as "the sweating system," or what is a variety of the same, to contracts of the employer with his manager, whereby the latter becomes responsible for the whole work, and employs and pays the men. From making it the pecuniary interest of the labourer to work overtime, piecework induces him to overstrain his powers, and both to transgress the legal or normal limits of the day of labour, and to raise or exceed the normal degree of the intensity of labour. Marx, quoting from Dunning, says that it was customary in the engineering trade in London for employers to engage a foreman of exceptional physical powers, and pay him an extra salary per quarter to keep the men up to his own pace; an expedient which, he adds, is actually recommended to farmers by Morton in his "Agricultural Encyclopædia." He attributes to piecework, especially in its operation on women and children, the degeneration of the labouring class in the potteries, which is shown in the Report of the Commission on the Employment of Children. But while Marx thus objects to piecework because it leads to overwork, he objects to it also because it leads to underwork. It enables employers to engage more hands than they require, when they entertain perhaps only an imaginary expectation of work, for they know they run no risk, since paying by the piece they pay only for what is done. The men are thus imperfectly employed and insufficiently paid.

6. *Relative Over-population.* One of the worst features of modern industrial development is the vast number of labourers whom it constantly leaves out of employ. This Marx calls relative over-population. Of absolute over-population he has no fear. He is not a Malthusian. He holds that there is no population law applicable to all countries and times alike. Social organisms differ from one another as do animals and plants; they have different laws and conditions. Every coun-

try and age has its own law of population. A constant and increasing over-population is a characteristic of the present age; it is a necessary consequence of the existing method of carrying on industry; but it is nothing in the nature of an absolute over-growth; it is only, to Marx's thinking, a relative superfluity. There is plenty of work for all, more than plenty. If those who have employment were not allowed to be overwrought, and if work were to-morrow to be limited to its due amount for every one according to age and sex, the existing working population would be quite insufficient to carry on the national production to its present extent. Even in England, where the technical means of saving labour are enormous, this could not be done except by converting most of our present "unproductive" labourers into productive. There is therefore, Marx conceives, no reason why any one should be out of work; but at present, what with the introduction of new machinery, the industrial cycles, the commercial crises, the changes of fashion, the transitions of every kind, we have always, besides the industrial army in actual service, a vast industrial reserve who are either entirely out of employment or very inadequately employed. This relative over-population is an inevitable consequence of the capitalistic management of industry, which first compels one-half of the labouring community to do the work of all, and then makes use of the redundancy of labour so created to compel the working half to take less pay. Low wages spring from the excessive competition among labourers caused by this relative over-population. "Rises and falls in the rate of wages are universally regulated by extensions and contractions in the industrial reserve army which correspond with changes in the industrial cycle. They are not determined by changes in the absolute number of the labouring population, but through changes in the relative distribution of the working class into active army and reserve army—through increase or decrease in the relative numbers of the surplus population—through the degree in which it is at one time absorbed and at another dismissed." The fluctuations in the rate of wages are thus traced to expansions or contractions of capital, and not to variation in the state of population. Marx ridicules the theory of these fluctuations given by political economists, that high

wages lead to their own fall by encouraging marriages, and so in the end increasing the supply of labour, and that low wages lead to their own rise by discouraging marriages and reducing the supply of labour. That, says Marx, is very fine, but before high wages could have produced a redundant population (which would take eighteen years to grow up), wages would, with modern industrial cycles, have been up, down, and up again through ordinary fluctuations of trade.

Relative over-population is of three kinds: current, latent, and stagnant. Current over-population is what comes from incidental causes, the ordinary changes that take place in the every-day course of industry. A trade is slack this season and brisk the next, has perhaps its own seasons, like house-painting in spring, posting in summer. Or one trade may from temporary reasons be busy, while others are depressed. In the last half year of 1860 there were 90,000 labourers in London out of employment, and yet the factory inspectors report that at that very time much machinery was standing idle for want of hands. This comes from the labourer being mutilated—that is, specialized—under modern subdivision of labour, and fit for only a single narrow craft. Another current cause of over-population is that under the stress of modern labour the workman is old before his years, and while still in middle life becomes unfit for full work, and passes into the reserve. Marx says this is the real reason for the prevalence of early marriages among the working class. They are generally condemned for being improvident, but they are really resorted to from considerations of providence, for working men foresee that they will be prematurely disabled for work, and desire, when that day comes, to have grown-up children about them who shall be able to support them. Other current causes are new inventions and new fashions, which always throw numbers out of work. Latent over-population is what springs from causes whose operation is long and slow. The best example of it is the case of the agricultural labourers. They are being gradually superseded by machinery, and as they lose work in the country they gather to the towns to swell the reserve army there. A great part of the farm servants are always in this process of transition, a few here, and a few there, and a few everywhere. The

constancy of this flow indicates a latent over-population in the rural districts, and that is the cause of the low wages of agricultural labourers. By stagnant over-population Marx means that which is shown in certain branches of industry, where none of the workmen are thrown back entirely into the reserve, but none get full regular employment.

CHAPTER V.

THE FEDERALISM OF CARL MARLO.

MARLO and Rodbertus are sometimes spoken of as the precursors of German socialism. This, however, is a mistake. The socialism which now exists appeared in Germany among the Young Hegelians forty years ago, before the writings of either of these economists were published, and their writings have had very little influence on the present movement. Rodbertus, it is true, communicated a decided impulse to Lassalle, both by his published letter to Von Kirchmann in 1853, and by personal correspondence subsequently. He was a landed proprietor of strongly liberal opinions, who was appointed Minister of Agriculture in Prussia in 1848, but after a brief period of office retired to his estates, and devoted himself to economic and historical study. He took a very decided view of the defects of the existing industrial system, and held in particular that, in accordance with Ricardo's law of necessary wages, the labourer's income could never rise permanently above the level of supplying him with a bare subsistence, and consequently that, while his labour was always increasing in productivity, through mechanical inventions and other means, the share which he obtained of the product was always decreasing. What was required was simply to get this tendency counteracted, and to devise arrangements by which the labourer's share in the product might increase proportionally with the product itself, for otherwise the whole working population would be left behind by the general advancement of society. The remedy, he conceives, must lie in the line of a fresh contraction of the sphere of private property. That sphere had been again and again contracted in the interests of personal development, and it

must be so once more. And the contraction that was now necessary was to leave nothing whatever in the nature of private property except income. This proposal is substantially identical with the scheme of the socialists; it is just the nationalization of all permanent stock; but then he holds that it could not be satisfactorily carried out in less than five hundred years. Rodbertus's writings have never been widely known, but they attracted some attention among the German working class, and he was invited, along with Lassalle and Lothar Bucher, to address the Working Men's Congress in Leipzig in 1863. He promised to come and speak on the law of necessary wages, but the Congress was never held in consequence of the action of Lassalle in precipitating his own movement, and from that movement Rodbertus held entirely aloof. He agreed with Lassalle's complaints against the present order of things, but he disapproved of his plan of reform. He did not think the scheme of founding productive associations on State credit either feasible or desirable, and he would still retain the system of wages, though with certain improvements introduced by law. He thought, moreover, that Lassalle erred gravely in making the socialists a political party, and that they should have remained a purely economic one. Besides, he looked on it as mere folly to expect, with Lassalle, the accomplishment in thirty years of changes which, as we have seen, he believed five centuries little enough time to evolve.

Rodbertus may thus be said to have had some relations with the present movement, but Marlo stands completely apart from it: and his large and important work, "Untersuchungen über die Organization der Arbeit, oder System der Welt-ökonomie," published at Kassel in 1850-5—though original, learned, and lucid—remained so absolutely unknown that none of the lexicons mention his name, and even an economist like Schaeffle—who was the first to draw public attention to it, and has evidently been considerably influenced by it himself—had never read it till he was writing his own work on socialism (1870). But though Marlo cannot be said to have contributed in any respect to the present socialistic movement, his work deserves attentive consideration as a plea for fundamental social reform, advanced by a detached and independent

thinker, who has given years of patient study to the phenomena of modern economic life, and holds them to indicate the presence of a deep-seated and widespread social disease. Carl Marlo is the *nom de plume* of a German professor of chemistry named Winkelblech, and he gives us in the preface to his second volume a touching account of how he came to apply himself to social questions. In 1843 he made a tour of investigation through Northern Europe in connection with a technological work he was engaged in writing, and visited among other places the blue factory of Modum, in Norway, where he remained some days, charmed with the scenery, which he thought equal to that of the finest valleys of the Alps. One morning he went up to a neighbouring height, whence he could see the whole valley, and was calmly enjoying the view when a German artisan came to ask him to undertake some commission to friends in the fatherland. They engaged in conversation. The artisan went over his experiences, and repeated all the privations he and his fellows had to endure. His tale of sorrow, so alien apparently to the ravishing beauty around, made a profound impression on Winkelblech, and altered the purpose and work of his life. "What is the reason," he asked himself, "that the paradise before my eyes conceals so much misery? Is nature the source of all this suffering, or is it man that is to blame for it? I had before, like so many men of science, looked, while in workshops, only on the forges and the machinery, not on the men—on the products of human industry, and not on the producers, and I was quite a stranger to this great empire of misery that lies at the foundation of our boasted civilization. The touching words of the artisan made me feel the nullity of my scientific work and life in its whole extent, and from that moment I resolved to make the sufferings of our race, with their causes and remedies, the subject of my studies." He pursued these studies with the greatest industry for several years, and found the extent of men's sufferings to be greatly beyond his expectation. Poverty prevailed everywhere—among labourers and among employers, too—with peoples of the highest industrial development, and with peoples of the lowest—in luxurious cities, and in the huts of villagers—in the rich plains

of Lombardy, no less than the sterile wilds of Scandinavia. He arrived at the conclusion that the causes of all this lay not in nature, but in the fact that human institutions rested on false economic foundations, and he held the only possible remedy to consist in improving these institutions. He became convinced that technical perfection of production, however great, would never be able to extinguish poverty or lead to the diffusion of general comfort, and that civilization was now come to a stage in its development at which further progress depended entirely on the advancement of political economy. Political economy was, therefore, for our time the most important of all sciences, and Winkelblech now determined to give himself thoroughly to its study. Hitherto he had not done so. "During the progress of my investigations," he says, "the doctrines of economists, as well as the theories of socialists, remained almost unknown to me except in name, for I intentionally abstained from seeking any knowledge of either, in order that I might keep myself as free as possible from extraneous influences. It was only after I arrived at the results described that I set myself to a study of economic literature, and came to perceive that the substance of my thoughts, though many of them were not new, and stood in need of correction, departed completely from the accepted principles of the science." He reached the conclusion that there prevailed everywhere the symptoms of a universal social disease, and that political economy was the only physician that could cure it; but that the prevailing system of economy was quite incompetent for that task, and that a new system was urgently and indispensably required. To set forth such a system is the aim of his book. He derides Proudhon's idea of social reforms coming of themselves without design, and argues strongly that no reform worthy the name can ever be expected except as the fruit of economic researches. He agrees with the Socialists in so far as they seek to devise a new economic system, but he thinks they make a defective diagnosis of the disease, and propose an utterly inadequate remedy. He counts them entirely mistaken in attributing all existing evils to the unequal distribution of wealth, a deficiency of production being, in his opinion, a much more important source of misery than

any error of distribution. In fact, his fundamental objection to the existing distribution is that it is not the distribution which conduces to the highest production, or to the most fruitful use of the natural resources at the command of society. He differs from the German socialists in always looking at the question from the standpoint of society in general, rather than from that of the proletariat alone, and he maintains that a new organization of labour is even more necessary for the interest of the capitalists than for that of the labourers, because he believes the present system will infallibly lead, unless amended, to the overthrow of the capitalist class, and the introduction of communism. His point of view is moreover purely economic and scientific, entirely free from all partizan admixture, and while he declares himself to be a zealous member of the republican party, he says that he purposely abstains from intervention in politics because he regards the political question as one of very minor rank, and holds that, with sound social arrangements, people could live more happily under the Russian autocracy than, with unsound ones, they could do under the French republic. The organization of labour is, in his opinion, something quite independent of the form of the State, and its final aim ought to be to produce the amount of wealth necessary to diffuse universal comfort among the whole population without robbing the middle classes. These characteristics sufficiently separate him from the socialist democrats of the present day.

His book was published gradually in parts, sometimes after long intervals, between 1848 and 1856, and it was finally interrupted by his death in 1865. A second edition appeared in 1885, containing some additions from his manuscripts, but the work remains incomplete. It was to have consisted of three parts; 1st, a historical part, containing an exposition and estimate of the various economic systems; 2nd, an elementary or doctrinal part, containing an exposition of the principles of economic science; and, 3rd, a practical part, explaining his plan for the organization of labour. The first two parts are all we possess; the third, and most important, never appeared, which must be regretted by all who recognise the evidences of original power and singular candour that the other parts present.

Marlo's account of the social problem is that it arises from

the fact that our present industrial organization is not in correspondence with the idea of right which is recognised by the public opinion of the time. That idea of right is the Christian one, which takes its stand on the dignity of manhood, and declares that all men, simply because they are men, have equal rights to the greatest possible happiness. Up till the French Revolution, the idea of right that prevailed was the heathen one, which might be called the divine right of the stronger. The weak might be made a slave without wrong. He might be treated as a thing and not as a person or an equal, who had the same right with his master or his feudal superior to the greatest possible enjoyment. Nature belonged to the conqueror, and his dominion was transmitted by privilege. Inequality of right was therefore the characteristic of this period; Marlo calls it monopolism. But at the French Revolution the Christian idea of right rose to its due ascendancy over opinion, and the sentiments of love and justice began to assume a control over public arrangements. Do as you would be done by, became a rule for politics as well as for private life, and the weak were supported against the strong. Equality of right was the mark of the new period; Marlo calls it panpolism. This idea could not be realized before the present day, because it had never before taken possession of the public mind, but it has done this now so thoroughly that it cannot be expected to rest till it has realized itself in every direction in all the practical applications of which it is susceptible. The final arbiter of institutions is always the conception of right prevailing at the time; contemporary industrial arrangements are out of harmony with the contemporary conception of right; and stability cannot be looked for until this disturbance is completely adjusted.

Now the first attempts that society made to effect this adjustment were not unnaturally attended with imperfection. In the warmth of their recoil from the evils of monopolism, men ran into extreme and distorted embodiments of the opposite principle, and they ran contrary ways. These contrary ways are Liberalism and Communism. Liberalism fixed its attention mainly on the artificial restrictions, the privileges, the services, the legal bonds by which monopoly and inequality

were kept up, and it thought a perfect state of society would be brought about if only every chain were snapped and every fetter stripped away. It conceived the road to the greatest possible happiness for every man was the greatest possible freedom; it idolized the principle of abstract liberty, and it fancied if evil did not disappear, it was always because something still remained that needed emancipation. Communism, on the other hand, kept its eyes on the inequalities of monopolistic society; imagined the true road to the greatest possible happiness was the greatest possible equality; that all ills would vanish as soon as things were levelled enough; in short, it idolized the principle of abstract equality. Modern Liberalism and modern Communism are therefore of equal birth; they have the same historical origin in the triumph of the principle of equality of right in 1789; they are only different modes of attempting to reduce that principle to practice; and Liberalism happens to be the more widely disseminated of the two, not because it represents that principle better, but merely because being more purely negative than the other, it was easier of introduction, and so got the start of Communism in the struggle of existence. According to Marlo, they are both equally bad representatives of the principle, and their chief good lies in their mutual criticism, by means of which they prepare the way for the true system, the system of Federalism, which will be presently explained. The history of revolution, he says, begins in the victory of Liberalism and Communism together over Monopolism; it proceeds by the conflict of the victors with one another, and it ends in the final triumph of Federalism over both.

Marlo next criticises the two systems of Liberalism and Communism with considerable acuteness. Both the one and the other are utopias; they are absorbed in realizing an abstract principle, and they, as a matter of fact, produce exactly the opposite of what they aim at. Communism seeks to reach the greatest possible happiness by introducing first the greatest possible equality.—But what is equality? Is it equality when each man gets a coat of the same size, or is it not rather when each man gets a coat that fits him? Some communists would accept the former alternative. They would

measure off the same length to the dwarf and the giant, to the ploughman and the judge, to the family of three and the family of thirteen. But this would be clearly not equality, but only inequality of a more vicious and vexatious kind. Most communists, however, prefer the second alternative, and assign to every man according to his needs, to every man the coat that fits him. But then we must first have the cloth, and that is only got by labour, and every labourer ought if possible to produce his own coat. The motive to labour, however, is weakened on the communistic system; and if those who work less are to be treated exactly like those who work more, then that would be no abolition of monopoly, but merely the invention of a new monopoly, the monopoly of indolence and incapacity. The skilful and industrious would be exploited by the stupid and lazy. Besides, production would for the same reason, insufficient inducement to labour, be diminished, progress would be stopped, and therefore the average of human happiness would decline. Communism thus conducts to the opposite of everything it seeks. It seeks equality, it ends in inequality; it seeks the abolition of monopoly, it creates a new monopoly; it seeks to increase happiness, it actually diminishes it. It is a pure utopia, and why? Because it misunderstands its own principle. Equality does not mean giving equal things to every man; it means merely affording the greatest possible playroom for the development of every personality, and that is exactly the principle of freedom. The greatest possible equality and the greatest possible freedom can only be realized together; they must spring out of the same conditions, and a system of right which shall adjust these conditions is just what is now wanted.

Liberalism is a failure from like causes. It seeks to realize happiness by freedom; it realizes neither. For it mistakes the nature of freedom, as the Communists mistake the nature of equality. It takes freedom to be the power of doing what one likes, instead of being the power of doing what is right. Its whole bent is to exempt as much as possible of life from authoritative restraint, and to give as much scope as exigencies will allow to the play of individuality. It is based on no positive conception of right whatever, and looks on the State

as an alien whose interference is something exceptional, only justified on occasional grounds of public necessity or general utility. It fails to see that there are really no affairs in a community which are out of relation to the general wellbeing, and destitute of political significance. Nothing demonstrates the error of this better than the effects of the Liberal *régime* itself. For half a century the industrial concerns of the people have been treated as matters of purely private interest, and this policy has resulted in a political as well as economical revolution. Industrial freedom, which has produced capitalism in the economic field, has resulted in political life in the ascendancy of a new class, a plutocracy, "the worst masters," said De Tocqueville, "the world has yet seen, though their reign will be short." The change which was effected by the legislation of the Revolution was not a development of a fourth estate, as is sometimes said; it was really nothing more than the creation of a money aristocracy, and the putting of them in the place of the old hereditary nobility. The system of industrial right that happens to prevail, therefore, so far from being, as Liberals fancy, outside the sphere of political interest, is in truth the very element on which the distribution of political power, in the last analysis, depends. Nothing is more political than the social question. Liberals think slight of that question, but it is, says Marlo, the real question of the day, and it is neither more nor less than the question of the existence or abolition of Liberalism, the question of the maintenance or subversion of the principle of industrial freedom, the question of the ascendancy or overthrow of a money aristocracy. The fight of our age is a fight against a plutocracy bred of Liberalism. It is not, as some represent it, a struggle of labourers against employers; it is a joint struggle of labourers and lower *bourgeoisie* against the higher *bourgeoisie*, a struggle of those who work and produce against those who luxuriate idly on the fruits of others' labour. As compared with this question, constitutional questions are of very minor importance, for no matter whether the State be monarchy or republic, if the system of industrial right that prevails in it be the system of industrial freedom, the real power of the country will be in the hands of the capitalist class. He who fails to

see this, says Marlo, fails to understand the spirit of his time. It is always the national idea of right that governs both in social and political relations, and as long as the national idea of right is that of Liberalism, we shall continue to have capitalism and a plutocracy. It is the mind that builds the body up, and it is only when a new system of right has taken as complete possession of the national consciousness as Liberalism did in 1789, that the present social conflict will cease and a better order of things come in.

From want of such a system of right—from want even of seeing the necessity for it, Liberalism has defeated its own purpose. It sought to abolish monopoly; it has only substituted for the old monopoly of birth the more grievous monopoly of wealth. It sought to establish freedom; it has only established plutocratic tyranny. It has erred because it took for freedom an abstraction of its own and tried to realize that, just as Communism erred by taking for equality an abstraction of its own and trying to realize that. The most perfect state of freedom is not reached when every man has the power of doing what he likes, any more than the most perfect state of equality is reached when every man has equal things with every other; but the greatest possible freedom is attained in a condition of society where every man has the greatest possible play-room for the development of his personality, and the greatest possible equality is attained in exactly the same state of things. Real freedom and real equality are in fact identical. Every right contains from the first a social element as well as an individual element, and it cannot be realized in the actual world without observing a due adjustment between these two elements. Such an adjustment can only be discovered by a critical examination of the economic constitution of society, and must then be expressed in a distinct system of industrial right, which imposes on individual action its just limits. True liberty is liberty within these limits; and the true right of property is a right of property under the same conditions. The fundamental fault of Liberalism, the cause of its failure, is simply that it goes to work without a sound theory of right, or rather perhaps without any clear theory at all, and merely aims at letting every one do as he likes, with

the understanding that the State can always be called in to correct accidents and excesses.

This defect is what Federalism claims to supply. It claims to be the only theory that abandons abstractions and keeps closely to the nature of things, and therefore to be the only theory that is able to realize even approximately the Christian principle of equality of right. The name furnishes no very precise clue to the conclusion it designates, and it has no reference to the federative form of State, for which Marlo expressly disavows having any partiality. He has chosen the word merely to indicate the fact that society is an organic confederation of many different kinds of associations—families, churches, academies, mercantile companies, and so on; that association is not only a natural form, but the natural form in which man's activity tends to be carried on; and that in any sound system of industrial right this must be recognised by an extension of the collective form of property and the co-operative form of production. Communism, says Marlo, is mechanical, Liberalism is atomistic, but Federalism is organic. When he distinguishes his theory from communism, it must be remembered that it is from the communism which he has criticised, and which he would prefer to denominate Equalism; it is from the communism of Baboeuf, which would out of hand give every man according to his needs, and would consequently, through impairing the motives to industry, leave those needs themselves in the long run less satisfactorily provided for than they are now. But his system is nearly identical with the communism of the Young Hegelians of his own time—that is, with the German socialism of the present day—although he arrived at it in entire independence of their agitations, and builds it on deductions peculiar to himself. Like them, he asks for the compulsory transformation of land and the instruments of production from private property into collective property; like them, he asks for this on grounds of social justice, as the necessary mechanism for giving effect to positive rights that are set aside under the present system; and he says himself, "If you ask the question, how is the democratic social republic related to Federalism, the most suitable answer is, as the riddle to its solution."

He starts from the position that all men have equally the right to property. Not merely in the sense, which is commonly acknowledged, that they have the right to property if they have the opportunity of acquiring it; but in the further significance, that they have a right to the opportunity. They are in fact born proprietors—*de jure* at least, and they are so for two reasons. First, God has made them persons, and not things, and they have, therefore, all equally a natural right to their amplest personal development. If society interferes with this liberty of personal development—if it suffers any of its members to become the slaves of others, for example—it robs them of original rights which belong to them by the mere fact of their manhood. But, secondly, property, resources of some sort, being indispensable means of personal development, God, who has imposed the end, has supplied the means. He has given nature, the earth and the lower creation, into the dominion of man, not of this or that man, or class of men, but of mankind, and consequently every man has, equally with every other, a right to participate in the dominion of nature, a right to use its bounty to the extent required for his personal development. No appropriation of nature can be just which excludes this possibility and robs any man of this natural right. It is, therefore, wrong to allow to any single person, or to any limited number of persons, an absolute dominion over natural resources in which everybody else has, by nature, a right to some extent to share. He who should have complete and exclusive lordship over all nature, would be lord and master of all his fellow-men, and in a period after natural agents are all appropriated the system of complete and absolute property leaves the new-comers at the mercy of those who are already in possession. They can only work if the latter give them the productive instruments; they can only reap from their work so much of its fruits as the latter are pleased to leave with them; and they must perish altogether unless the latter employ them. They are slaves, they are beggars; and yet they came into the world with the rights of a proprietor, of which they can never be divested. Nature laid covers for them as well as for the rest, and a system of property is essentially unjust which ousts them from their seat at her

table. The common theory of property starts from the premiss, that all men have the right to property, and draws the conclusion, that, therefore, some men have the right to monopolize it. As usually understood, the proprietary right is as much a right of robbery as a right of property, and Proudhon would have been quite correct in describing property as theft, if no better system of property could be devised than the present.

But such a system can be devised; one under which the right of new-comers may be respected without disturbing those of possessors. This can only be done by putting entirely aside the complete and absolute form of property which is in so much favour with Liberalism, and by making the right of property in any actual possession a strictly limited and circumscribed right from the first—the right not to an arbitrary control over a thing, but to a just control over it. So long as property is always thought of as an arbitrary and absolute dominion over a thing, the proprietary right cannot possibly be explained in a way that does not make it a right given to some to rob others. Why not, therefore, define property from the beginning as subject to limitations, and contrive a new form or system of it, in which these limitations shall for ever receive due recognition, and no man be thereafter denied the opportunity of acquiring as much of the bounty of nature as is necessary for him to carry out his personal development?

That is Marlo's task, and it would have been an easy one, if all goods, if everything that satisfies a human want, had been supplied directly by nature, as air is supplied, without the need of industry to procure it or the power of industry to multiply it. Then the problem would be solved very simply as the earlier communists desired to solve it. Every member of society would be entitled to partake of nature's supplies, as he now does of air, in the measure of his need, and when those supplies ran exhausted, just as when the air became vitiated, society would be entitled, nay obliged, to suppress further propagation. But the question is far from being so simple. Nature only yields her bounties to us after labour; they are only converted into means of life by labour; and they are capable of being vastly multiplied by labour. This element of

labour changes the situation of things considerably, and must be allowed a leading *rôle* in determining a just right and system of property. The only case where a proprietary right can be recognised which is unmodified by this consideration, is the case of those who are unable to labour. They fall back on their original right to a share in the bounty of nature in the measure that their personal development requires; in other words, according to their needs. Their share does not lie waste, though they are unable to work it themselves, and their share belongs to them immediately because they are persons, and not because they may afterwards become labourers. Marlo recognises, therefore, antecedently to labour the right to existence, and this right he proposes to realize for the weak and disabled by means of a compulsory system of national insurance.

The other natural proprietary rights are consequent in one way or another upon labour. First, there is the right to labour. If every man has a right to a share in the dominion of nature, then every man who is able to labour has a right to obtain the natural resources that are necessary to give him employment according to capacity and trade. No private appropriation of these resources can divest him of his title to get access to them, and if he cannot find work himself, the State is bound to provide it for him in public workshops. Second, every man has a right to the most profitable possible application of labour to natural resources. He has an interest in seeing the common stock put to the best account, and he is wronged in this interest when waste is permitted, when inferior methods are resorted to, or when the distribution of work and materials is ill arranged. Now the best arrangement is when each man is equipped according to the measure and quality of his powers. Nature will be then best worked, and man's personal development will then be best furthered. If such an arrangement cannot be effected on the system of property now in vogue, while it may be under another, it is every man's right to have the former system supplanted by the latter. The most economical form of property is the most just. Third, the next right is a right to an almost unlimited control over the fruits of one's own labour. Not over the means of

labour; these can only be justly or economically held by a circumscribed control; but over the fruits of labour. These ought to be retained as exclusive property, for the simple reason that the natural resources will be so turned to the best account. On any other system of payment the motive to labour is impaired, and the amount of its produce diminished. Distribution by need defeats its own end; the very needs of the community would be less amply satisfied after it than before it. Distribution according to work is the sound economic principle, and therefore the just one. Marlo here leaves room for the play of the hereditary principle and of competition to some extent, and he allows the free choice of occupation on similar grounds. Men will work best in lines their own tastes and powers lead them to. Everything is determined by economic utility, and economic utility is supposed to be at its height when the natural resources of a country are distributed among its inhabitants according to the requirements of their labouring powers.

This condition of things can only be realized, first, if population is regulated; second, if unproductive labour is suppressed; and third, if the means of labour are made common property. The necessity for regulating population comes, of course, from the limitation of the natural resources at society's command. In any community there is a certain normal limit of population—the limit at which all the natural resources are distributed among all the inhabitants according to their powers—and the community will learn when this limit is reached from the number of workmen who are unable to obtain private employment, and are obliged to seek work from the State. Then it can regulate population by various expedients. It may require the possession of a certain amount of fortune as a preliminary condition to marriage, and raise this amount according to necessity. It may encourage emigration. It may forbid marriages under a fixed age, and to prevent illegitimacy, it might give natural children the same rights as legitimate ones. But Marlo trusts most to the strong preventive check that would be supplied by the power imparted to working men under the Federal *régime* of improving their position.

The same necessity that makes it legitimate, and, indeed,

imperative to regulate population, makes it legitimate and imperative also to suppress what Marlo calls unproductive acquisition, *i.e.*, the acquisition by persons who are able to work of any other property than they earn as the fruit of their work; and to suppress likewise all waste of the means of life and enjoyment, such, for example, as is involved in the maintenance of unnecessary horses, dogs, or other animals that only eat up the products of the soil. The obligation to labour and the curtailment of luxury would come into exercise before the restrictions on population, and be more and more rigorously enforced as the normal limit of population was approximated.

But the most important and the most necessary innovation is the conversion of land and the instruments of production into the form of collective property. The form in which property should be held ought to be strictly determined by considerations of economic utility. From such considerations the Liberals themselves have introduced important changes into the system of property; they have abolished fiefs, hereditary tenancies, entail, servitudes, church and village lands, all the peculiarities of monopolistic society, because, as they said, they wished to substitute a good form of property for a bad; and they at least have no right, Marlo thinks, to turn round now on Communists or Federalists for proposing to supersede this good form of property by a better. They have themselves transformed property by law, and they have transformed it on grounds of economic advantage; they have owned that the economic superiority of a particular form of property imposes a public obligation for its compulsory introduction. They asserted the competency of the State against the monopolists, and they cannot now deny it against the socialists. If the private form of property is best, then let the State maintain it; but if the collective form is best, then the State is bound, even on the principles of Liberals themselves, to introduce it. The question can only be determined by experience of the comparative economic utility of the two. Without offering any detailed proof of his proposition from experience Marlo then affirms that the most advantageous form of property is reached when the instruments of production are the collective property of associations, and the instruments of enjoyment (except wells,

bridges, and the like) are the property of individuals. Each man's house would still be his castle; his house and the fulness thereof would still belong to him; but outside of it he could acquire no individual possessions. Of land and the means of labour, he should be joint-proprietor with others, or rather joint-tenant with them under the Crown. Industrial property would be held in common by the associations that worked it, and these associations would be organized by authority with distinct charters of powers and functions.

Marlo thus arrives at the same practical scheme as Marx, though by a slightly different road. Marx builds his claim on Ricardo's theory of value and Ricardo's law of necessary wages. Marlo builds his on man's natural right, as a sharer in the dominion of nature, to the most advantageous exercise of that dominion.

CHAPTER VI.

THE SOCIALISTS OF THE CHAIR.

THE Socialists of the Chair have done themselves injustice and sown their course with embarrassing misconceptions by adopting too hastily an infelicitous name. It is more descriptive than most political nicknames, and therefore more liable to mislead. It was first used in 1872 in a pamphlet by Oppenheim, then one of the leaders of the National Liberals, to ridicule a group of young professors of political economy who had begun to show a certain undefined sympathy with the socialist agitations of Lassalle and Von Schweitzer, and to write of the wrongs of the labouring classes and the evils of the existing industrial system with a flow of emotion which was thought to befit their years better than their position. A few months later these young professors called together at Eisenach a Congress of all who shared their general attitude towards that class of questions. In opening this Congress—which was attended by almost every economist of note in Germany, and by a number of the weightiest and most distinguished Liberal politicians—Professor Schmoller employed the name "Socialists of the Chair" to describe himself and those present, without adding a single qualifying remark, just as if it had been their natural and chosen designation. The nickname was no doubt accepted so readily, partly from a desire to take the edge off the sneer it was meant to convey, but partly also from the nobler feeling which makes men stand by a truth that is out of favour. Not that they approved of the contentions of social democracy out and out, but they believed there was more basis of truth in them than persons in authority were inclined to allow, and besides that the truth they contained was of special and even pressing importance. They held, as Schmoller said, that "Social Democracy was

itself a consequence of the sins of modern Liberalism." They went entirely with the Social Democrats in maintaining both that a grave social crisis had arisen, and that it had been largely brought about by an irrational devotion on the part of the Liberals to the economic doctrine of *laissez-faire*. But they went further with them. They believed that the salvation of modern society was to come, not indeed from the particular scheme of reconstruction advocated by the Social Democrats, but still from applications in one form or another of their fundamental principle, the principle of association. And it was for that reason—it was for the purpose of marking the value they set upon the associative principle as the chief source of healing for the existing ills of the nations—that they chose to risk misunderstanding and obloquy by accepting the nickname put upon them by their adversaries. The late Professor Held, who claims as a merit that he was the first to do so, explains very clearly what he meant by calling himself a socialist. Socialism may signify many different things, but, as he uses the word, it denotes not any definite system of opinions or any particular plan of social reform, but only a general method which may guide various systems, and may be employed more or less according to circumstances in directing many different reforms. He is a socialist because he would give much more place than obtains at present to the associative principle in the arrangements of economic life, and because he cannot share in the admiration many economists express for the purely individualistic basis on which these arrangements have come to stand. A socialist is simply the opposite of an individualist. The individualist considers that the perfection of an industrial economy consists in giving to the principles of self-interest, private property, and free competition, on which the present order of things is founded, the amplest scope they are capable of receiving, and that all existing economic evils are due, not to the operation of these principles, but only to their obstruction, and will gradually disappear when self-interest comes to be better understood, when competition is facilitated by easier inter-communication, and when the law has ceased from troubling and left industry at rest. The socialist, in Held's sense, is, on the other hand, one who rejects

the comfortable theory of the natural harmony of individual interests, and instead of deploring the obstructions which embarrass the operations of the principles of competition, self-interest, and private property, thinks that it is precisely in consequence of these obstructions that industrial society contrives to exist at all. Strip these principles, he argues, of the restraints put upon them now by custom, by conscience, by public opinion, by a sense of fairness and kind feeling, and the inequalities of wealth would be immensely aggravated, and the labouring classes would be unavoidably ground to misery. Industrial society would fall into general anarchy, into a *bellum omnium contra omnes*, in which they that have would have more abundantly, and they that have not would lose even what they have. Held declines to join in the admiration bestowed by many scientific economists upon this state of war, in which the battle is always to the rich. He counts it neither the state of nature, nor the state of perfection, of economic society, but simply an unhappy play of selfish and opposing forces, which it ought to be one of the distinct aims of political economy to mitigate and counteract. Individualism has already had too free a course, and especially in the immediate past has enjoyed too sovereign a reign. The work of the world cannot be carried on by a fortuitous concourse of hostile atoms, moving continually in a strained state of suspended social war, and therefore, for the very safety of industrial society, we must needs now change our tack, give up our individualism, and sail in the line of the more positive and constructive tendencies of socialism. To Held's thinking accordingly, socialism and individualism are merely two contrary general principles, ideals, or methods, which may be employed to regulate the constitution of economic society, and he declares himself a socialist because he believes that society suffers at present from an excessive application of the individualistic principle, and can only be cured by an extensive employment of the socialistic one.

This is all clear enough, but it is simply giving to the word socialism another new meaning, and creating a fresh source of ambiguity. That term has already contracted definite associations which it is impossible to dispel by mere word of mouth,

and which constitute a refracting medium through which the principles of the Socialists of the Chair cannot fail to be presented in a very misleading form. These writers assume a special position in two relations—first, as theoretical economists; and, second, as practical politicians or social reformers; and in both respects alike the term socialism is peculiarly inappropriate to describe their views. In regard to the first point, by adopting that name they have done what they could to "Nicodemus" themselves into a sect, whereas they might have claimed, if they chose, to be better exponents of the catholic tradition of the science than those who found fault with them. This is a claim, however, which they would be shocked indeed to think of presenting. With a natural partiality for their own opinions, they exaggerated immensely the extent and also the value of their divergence from the traditional or, as it is sometimes called, the classical economics. In the energy of their recoil from the dogmatism which had for a generation usurped an excessive sway over economic science, they were carried too far in the opposite direction, but they had in their own minds the sensation that they were carried a great deal farther than they really were. They liked to think of their historical method as constituting a new epoch, and effecting a complete revolution in political economy, but, as will subsequently appear, that method, when reduced to its real worth, amounts to no more than an application, with somewhat distincter purpose and wider reach, of the method which Smith himself followed. Of this they are in some degree conscious. Brentano, who belongs to the extreme right of the school, says that Smith would have been a Socialist of the Chair to-day if he were alive; and Samter, who belongs to the extreme left, though he is doubtful regarding Smith, has no hesitation in claiming Mill, whom he looks upon as standing more outside than inside the school of Smith. Their position is, therefore, not the new departure which many of them would fain represent it to be. They are really as natural and as legitimate a line of descent from Adam Smith as their adversaries the German Manchester Party who claimed the authority of his name. Perhaps they are even more so, for in science the true succession lies with those who carry the prin-

ciples of the master to a more fruitful development, and not with those who embalm them as sacred but sterile simulacra.

But it is as practical reformers that the Socialists of the Chair suffer most injustice from their name. Since the word socialism was first used by Reybaud fifty years ago, it has always been connected with utopian or revolutionary ideas. Now the Socialists of the Chair are the very opposite of revolutionaries both by creed and practice. None of the various parties which occupy themselves with the social problem in Germany is so eminently and advisedly practical. Their very historical method, apart from anything else, makes them so. It gives them a special aversion to political and social experiments, for it requires as the first essential of any project of reform that it shall issue naturally and easily out of —or at least be harmonious with—the historical conditions of the time and place to which it is to be applied. Roscher, who may be regarded as the founder of the school, says that reformers ought to take for their model Time, whose reforms are the surest and most irresistible of all, but yet so gradual that they cannot be observed at any given moment. They make, therefore, on the whole a very sparing use of the socialistic principle they invoke. Certainly the world, in their eyes, is largely out of joint, but its restoration is to proceed gently, like Solomon's temple, without sound of hammer. Some of them of course go farther than others, but they would all still leave us rent, wages, and profits, the three main stems of individualism. They struck the idea of taxing speculative profits out of their programme, and so far from having any socialistic thought of abolishing inheritance, none of them except Von Scheel would even tax it exceptionally. Samter stands alone in urging the nationalization of the land; and Wagner stands alone in desiring the abolition of private property in ground-rents in towns; the other members cannot agree even about the expediency of nationalizing the railways. They work of set purpose for a better distribution of wealth—for what Schmoller calls a progressive equalization of the excessive and even dangerous differences of culture that exist at present—but they recoil from all suggestion of schemes of repartition, and they have no fault to find with inequality in

itself. On the contrary they regard inequality as being not merely an unavoidable result of men's natural endowments, but an indispensable instrument of their progress and civilization. Schmoller explains that their political principles are those of Radical Toryism, as portrayed in Lord Beaconsfield's novels; and he means that they rest on the same active sympathy with the ripening aspirations of the labouring classes, and the same zealous confidence in the authority of the State, and in these respects are distinguished from modern Liberalism, whose governing sympathies are with the interests and ideas of the *bourgeoisie*, and which entertains a positive jealousy of the action of the State. The actual reforms which the Socialists of the Chair have hitherto promoted have been in the main copied from our own English legislation—our Factory Acts, our legalization of Trade Unions, our Savings Banks, our registration of Friendly Societies, our sanitary legislation, etc., etc.—measures which have been passed, with the concurrence of men of opposite shades of opinion, out of no social theory but from a plain regard to the obvious necessities of the hour. So that we have been simply Socialists of the Chair for a generation without knowing it, doing from a happy political instinct the works which they deduce out of an elaborate theory of economic politics. Part of their theory, however, is, that in practical questions they are not to go by theory, and the consequence is that while they sometimes lay down general principles in which communism might steal a shelter, they control these principles so much in their application by considerations of expediency, that the measures they end in proposing differ little from such as commend themselves to the common sense and public spirit of middle-class Englishmen.

Their general theory had been taught in Germany for twenty years before it was forced into importance by the policy it suggested and the controversies it excited in connection with the socialist movement which began in 1863. Wilhelm Roscher, the lately deceased professor of economics in Leipzig, first propounded the historical method in his "Grundriss zu Vorlesungen über die Staatswirthschaft nach geschichtlicher Methode," published in 1843, though it deserves to be noticed that in this work he spoke of the historical method as being

the ordinary inductive method of scientific economists, and distinguished it from the idealistic method proceeding by deduction from preconceived ideas, which he said was the method of the socialists. He had no thought as yet of representing his method as diverging from that of his predecessors, even in detail, much less as being essentially different in principle. Then the late Bruno Hildebrand, professor of political science at Jena, in his work on the "National Economy of the Present and the Future," published in 1847, proclaimed the historical method as the harbinger and instrument of a new era in the science, but he speaks of it only as a restoration of the method of diligent observation which Adam Smith practised, but which his disciples deserted for pure abstractions. In 1853, a more elaborate defence and exposition of the historical method appeared in a work on "Political Economy from the Standpoint of the Historical Method," by Carl G. A. Knies, professor of national economics at Heidelberg. But it was never dreamt that the ideas broached in these works had spread beyond the few solitary thinkers who issued them. The Free Traders were still seen ruling everything in the high places of the land in the name of political economy, and they were everywhere apparently accepted as authorized interpreters of the mysteries of that, to the ordinary public, somewhat occult science. They preached the freedom of exchange like a religion which contained at once all they were required to believe in economic matters, and all they were required to do. There was ground for Lassalle's well-known taunt: "Get a starling, Herr Schultze, teach it to pronounce the word 'exchange,' 'exchange,' 'exchange,' and you have produced a very good modern economist." The German Manchester Party certainly gave to the principle of *laissez-faire, laissez-aller*, a much more unconditional and universal application than any party in this country thought of according to it. They looked on it as a kind of orthodoxy which it had come to be almost impious to challenge. It had been hallowed by the consensus of the primitive fathers of the science, and it seemed now to be confirmed beyond question experimentally by the success of the practical legislation in which it had been exemplified during the previous quarter of

a century. The adherents of the new school never raised a murmur against all this up till the eventful time of the socialist agitation and the formation of the new German Empire, and the reason is very plain. On the economic questions which came up before that period, they were entirely at one with the Free Traders, and gave a hearty support to their energetic lead. They were, for example, as strenuously opposed to protective duties and to restrictions upon liberty of migration, settlement, and trading, as Manchester itself. But with the socialist agitation of 1863, a new class of economic questions came to the front—questions respecting the condition of the working classes, the relations of capital and labour, the distribution of national wealth, and the like—and on these new questions they could not join the Free Traders in saying "Hands off!" They did not believe with the Manchester school that the existing distribution of wealth was the best of all possible distributions, because it was the distribution which Nature herself produced. They thought, on the contrary, that Nature had little to do with the matter; but even if it had more, there was only too good cause for applying strong corrections by art. They said it was vain for the Manchester party to deny that a social question existed, and to maintain that the working classes were as well off as it was practical for economic arrangements to make them. They declared there was much truth in the charges which socialists were bringing against the existing order of things, and that there was a decided call upon all the powers of society, and, among others, especially upon the State, to intervene with some remedial measures. A good opportunity for concerted and successful action seemed to be afforded when the German Empire was established, and this led to the convening of the Eisenach Congress in 1872, and the organization of the Society for Social Politics in the following year.

Men of all shades of opinion were invited to that Congress, provided they agreed on two points, which were expressly mentioned in the invitation: 1st, in entertaining an earnest sense of the gravity of the social crisis which existed; and 2nd, in renouncing the principle of *laissez-faire* and all its works. The Congress was attended by 150 members, including many

leading politicians and most of the professors of political economy at the Universities. Roscher, Knies, and Hildebrand were there, with their younger disciples Schmoller, professor at Strasburg and author of the "History of the Small Industries"; Lujo Brentano, professor at Breslau, well known in this country by his book on "English Gilds" and his larger work on "English Trade Unions"; Professors A. Wagner of Berlin and Schönberg of Tübingen. Then there were men like Max Hirsch and Duncker the publisher, both members of the Imperial Diet, and the founders of the Hirsch-Duncker Trade Unions; Dr. Engel, director of the statistical bureau at Berlin; Professor von Holtzendorff, the criminal jurist; and Professor Gneist, historian of the English Constitution, who was chosen to preside. After an opening address by Schmoller, three papers were read and amply discussed, one on Factory Legislation by Brentano, a second on Trade Unions and Strikes by Schmoller, and a third on Labourers' Dwellings by Engel. This Congress first gave the German public an idea of the strength of the new movement; and the Free Trade party were completely, and somewhat bitterly, disenchanted, when they found themselves deserted, not as they fancied merely by a few effusive young men, but by almost every economist of established reputation in the country. A sharp controversy ensued. The newspapers, with scarcely an exception, attacked the Socialists of the Chair tooth and nail, and leading members of the Manchester party, such as Treitschke the historian, Bamberger the Liberal politician, and others, rushed eagerly into the fray. They were met with spirit by Schmoller, Held, Von Scheel, Brentano, and other spokesmen of the Eisenach position, and one result of the polemic is, that some of the misunderstandings which naturally enough clouded that position at the beginning have been cleared away, and it is now admitted by both sides that they are really much nearer one another than either at first supposed. The Socialists of the Chair did not confine their labours to controversial pamphlets. They published newspapers, periodicals, elaborate works of economic investigation; they held meetings, promoted trade unions, insurance societies, savings banks; they brought the hours of labour,

the workmen's houses, the effects of speculation and crises, all within the sphere of legislative consideration. The moderation of their proposals of change has conciliated to a great extent their Manchester opponents. Even Oppenheim, the inventor of their nickname, laid aside his scoffing, and seconded some of their measures energetically. Indeed, their chief adversaries are now the socialists, who cannot forgive them for going one mile with them and yet refusing to go twain—for adopting their diagnosis and yet rejecting their prescription. Brentano, who is one of the most moderate, as well as one of the ablest of them, takes nearly as grave a view of the state of modern industrial society as the socialists themselves do; and he says that if the evils from which it suffers could not be removed otherwise, it would be impossible to avoid much longer a socialistic experiment. But then he maintains that they can be removed otherwise, and one of the chief motives of himself and his allies in their practical work is to put an end to socialistic agitation by curing the ills which have excited it.

The key to the position of the Socialists of the Chair lies in their historical method. This method has nothing to do with the question sometimes discussed whether the proper method of political economy is the inductive or the deductive. On that question the historical school of economists are entirely agreed with the classical school. Roscher, for example, adopts Mill's description of political economy as a concrete deductive science, whose *à priori* conclusions, based on laws of human nature, must be tested by experience, and says that an economic fact can be said to have received a scientific explanation only when its inductive and deductive explanations have met and agreed. He makes, indeed, two qualifying remarks. One is, that it ought to be remembered that even the deductive explanation is based on observation, on the self-observation of the person who offers it. This will be admitted by all. The other is, that every explanation is only provisional, and liable to be superseded in the course of the progress of knowledge, and of the historical growth of social and economic structure. This will also be admitted, and it is no peculiarity of political economy. There is no science whose

conclusions are not modified by the advance of knowledge; and there are many sciences besides political economy whose phenomena change their type in lapse of time. Roscher's proviso, therefore, amounts to nothing more than a caution to economic investigators to build their explanations scrupulously on the facts, the whole facts, and nothing but the facts, and to be specially on their guard against applying to the circumstances of one period or nation explanations and recommendations which are only just regarding another. The same disease may have different symptoms in a child from what it has in a man, and a somewhat different type at the present day from what it had some centuries ago; and it may therefore require a quite different treatment. That is a very sound principle and a very self-evident one, and it contains the whole essence of the historical method, which, so far as it is a method of investigation at all, is simply that of other economists applied under a more dominating sense of the complexity and diversity of the phenomena which are subjected to it. There is consequently with the historical school more rigour of observation and less rigour of theory, and this peculiarity leads to practical results of considerable importance, but it has no just pretensions to assume the dignity of a new economic method, and it is made to appear much bigger than it is by looming through the scholastic distinctions in which it is usually set forth.

The historical school sometimes call their method the *realistic* and *ethical* method, to distinguish it from what they are pleased to term the *idealistic*, and *selfish* or *materialistic* method of the earlier economists. They are *realists* because they cannot agree with the majority of economists who have gone before them in believing there is one, and only one, ideal of the best economic system. There are, says Roscher, as many different ideals as there are different types of peoples, and he completely casts aside the notion, which had generally prevailed before him, that there is a single normal system of economic arrangements, which is built on the natural laws of economic life, and to which all nations may at all times with advantage conform. It is against this notion that the historical school has revolted with so much energy that they

wish to make their opposition to it the flag and symbol of a schism. They deny that there are any natural laws in political economy; they deny that there is any economic solution absolutely valid, or capable of answering in one economic situation because it has answered in another. Roscher, Knies, and the older members of the school make most of the latter point; but Hildebrand, Schönberg, Schmoller, Brentano, and the younger spirits among them, direct against the former some of their keenest attacks. They declare it to be a survival from the exploded metaphysics of the much-abused *Aufklärung* of last century. They argue that just as the economists of that period took self-interest to be the only economic motive, because the then dominant psychology—that of the selfish or sensual school—represented it as the only real motive of human action, of which the other motives were merely modifications; so did they come to count the reciprocal action and reaction of the self-interest of different individuals to be a system of natural forces, working according to natural laws, because they found the whole intellectual air they breathed at the time filled with the idea that all error in poetry, art, ethics, and therefore also economics, had come through departing from nature, and that the true course in everything lay in giving the supremacy to the nature of things. We need not stop to discuss this historical question as to the origin of the idea; it is enough here to say that the Socialists of the Chair maintain that in economic affairs it is impossible to make any such distinction between what is natural and what is not so. Everything results from nature, and everything results from positive institution too. There is in economics either no nature at all, or there is nothing else. Human will effects or affects all; and human will is itself influenced, of course, by human nature and human condition. Roscher says that it is a mistake to speak of industry being forced into "unnatural" courses by priests or tyrants, for the priests and tyrants are part and parcel of the people themselves, deriving all their resources from the people, and in no respect Archimedeses standing outside of their own world. The action of the State in economic affairs is just as natural as the action of the farmer or the manufacturer; and the

latter is as much matter of positive institution as the former. But while Roscher condemns this distinction, he does not go the length his disciples have gone, and reject the whole idea of natural law in the sphere of political economy. On the contrary, he actually makes use of the expression, "the natural laws of political economy," and asserts that, when they are once sufficiently known, all that is then needed to guide economic politics is to obtain exact and reliable statistics of the situation to which they are to be applied. Now that statement is exactly the position of the classical school on the subject. Economic politics is, of course, like all other politics, an affair of times and nations; but economic science belongs to mankind, and contains principles which may be accurately enough termed, as Roscher terms them, natural laws, and which may be applied, as he would apply them, to the improvement of particular economic situations, on condition that sufficiently complete and correct statistics are obtained beforehand of the whole actual circumstances. Economic laws are, of course, of the nature of ethical laws, and not of physical; but they are none the less on that account natural laws, and the polemic instituted by the Socialists of the Chair to expel the notion of natural law from the entire territory of political economy is unjustifiable. Phenomena which are the result of human action will always exhibit regularities while human character remains the same; and, moreover, they often exhibit undesigned regularities which, not being imposed upon them by man, must be imposed upon them by Nature. While, therefore, the Socialists of the Chair have made a certain point against the older economists by showing the futility and mischief of distinguishing between what is natural in economics and what is not, they have erred in seeking to convert that point into an argument against the validity of economic principles and the existence of economic laws. At the same time their position constitutes a wholesome protest against the tendency to exaggerate the completeness or finality of current doctrines, and gives economic investigation a beneficial direction by setting it upon a more thorough and all-sided observation of facts.

But when they complain of the earlier economists being so-

wedded to abstractions, the fault they chiefly mean to censure is the habit of solving practical economic problems by the unconditional application of certain abstract principles. It is the "absolutism of solutions" they condemn. They think economists were used to act like doctors who had learnt the principles of medicine by rote and applied them without the least discrimination of the peculiarities of individual constitutions. With them the individual peculiarities are everything, and the principles are too much thrown into the shade. Economic phenomena, they hold, constitute only one phase of the general life of the particular nations in which they appear. They are part and parcel of a special concrete social organism. They are influenced—they are to a great extent made what they are—by the whole *ethos* of the people they pertain to, by their national character, their state of culture, their habits, customs, laws. Economic problems are consequently always of necessity problems of the time, and can only be solved for the period that raises them. Their very nature alters under other skies and in other ages. They neither appear everywhere in the same shape, nor admit everywhere of the same answer. They must therefore be treated historically and empirically, and political economy is always an affair for the nation and never for the world. The historical school inveigh against the *cosmopolitanism* of the current economic theories, and declare warmly in favour of *nationalism;* according to which every nation has its own political economy just as it has its own constitution and its own character. Now here they are right in what they affirm, wrong in what they deny. They are right in affirming that economic politics is national, wrong in denying that economic science is cosmopolitan. In German the word economy denotes the concrete industrial system as well as the abstract science of industrial systems, and one therefore readily falls into the error of applying to the latter what is only true of the former. There may be general principles of engineering, though every particular project can only be successfully accomplished by a close regard to its particular conditions. In claiming a cosmopolitan validity for their principles, economists do not overlook their essential relativity. On the contrary, they describe their economic

laws as being in reality nothing more than tendencies, which are not even strictly true as scientific explanations, and are never for a moment contemplated as unconditional solutions for practical situations. Moreover Roscher, in defining his task as an economist, virtually takes up the cosmopolitan standpoint and virtually rejects the national. He says a political economist has to explain what is or has been, and not to show what ought to be; he quotes the saying of Dunoyer, *Je n'impose rien, je ne propose même rien, j'expose;* and states that what he has to do is to unfold the anatomy and physiology of social and national economy. He is a scientific man, and not an economic politician, and naturally assumes the position of science, which is cosmopolitan, and not that of politics, which is national and even opportunist.

I pass now to a perhaps more important point, from which it will be seen that the Socialists of the Chair are far from thinking that political economy has nothing to do with what ought to be. Next to the *realistic* school, the name they prefer to describe themselves by is the *ethical* school. By this they mean two things, and some of them lay the stress on the one and some on the other. They mean, first, to repudiate the idea of self-interest being the sole economic motive or force. They do not deny it to be a leading motive in industrial transactions, and they do not, like some of the earlier socialists, aim at its extinction or replacement by a social or generous principle of action. But they maintain that the course of industry never has been and never will be left to its guidance alone. Many other social forces, national character, ideas, customs—the whole inherited *ethos* of the people—individual peculiarities, love of power, sense of fair dealing, public opinion, conscience, local ties, family connections, civil legislation—all exercise upon industrial affairs as real an influence as personal interest, and, furthermore, they exercise an influence of precisely the same kind. They all operate ethically, through human will, judgment, motives, and in this respect one of them has no advantage over another. It cannot be said, except in a very limited sense, that self-interest is an essential and abiding economic force and the others only accidental and passing. For while customs perish, custom remains;

opinions come and go, but opinion abides; and though any particular act of the State's intervention may be abolished, State intervention itself cannot possibly be dispensed with. It is all a matter of more or less, of here or there. The State is not the intruder in industry it is represented to be. It is planted in the heart of the industrial organism from the beginning, and constitutes in fact part of the nature of things from which it is sought to distinguish it. It is not unnatural for us to wear clothes because we happen to be born naked, for Nature has given us a principle which guides us to adapt our dress to our climate and circumstances. Reason is as natural as passion, and the economists who repel the State's intrusion and think they are thus leaving industry to take its natural course, commit the same absurdity as the moralist who recommends men to live according to Nature, and explains living according to Nature to mean the gratification as much as possible of his desires, and his abandonment as much as possible of rational and, as he conceives, artificial plan. The State cannot observe an absolute neutrality if it would. Non-intervention is only a particular kind of intervention. There must be laws of property, succession, and the like, and the influence of these spreads over the whole industrial system, and affects both the character of its production and the incidence of its distribution of wealth.

But, second, by calling their method the *ethical* method, the historical school desire to repudiate the idea that in dealing with economic phenomena they are dealing with things which are morally indifferent, like the phenomena of physics, and that science has nothing to do with them but to explain them. They have certainly reason to complain that the operation of the laws of political economy is sometimes represented as if it were morally as neutral as the operation of the law of gravitation, and it is in this conception that they think the materialism of the dominant economic school to be practically most offensively exhibited. Economic phenomena are not morally indifferent; they are ethical in their very being, and ought to be treated as such. Take, for example, the labour contract. To treat it as a simple exchange between equals is absurd. The labourer must sell his labour or starve, and may

be obliged to take such terms for it as leave him without the means of enjoying the rights which society awards him, and discharging the duties which society claims from him. Look on him as a ware, if you will, but remember he is a ware that has life, that has connections, responsibilites, expectations, domestic, social, political. To get his bread he might sell his freedom, but society will not permit him; he may sell his health, he may sell his character, for society permits that; he may go to sea in rotten ships, and be sent to work in unwholesome workshops; he may be herded in farm bothies where the commonest decencies of life cannot be observed; and he may suck the strength out of posterity by putting his children to premature toil to eke out his precarious living. Transactions which have such direct bearings on freedom, on health, on morals, on the permanent well-being of the nation, can never be morally indifferent. They are necessarily within the sphere of ends and ideals. Their ethical side is one of their most important ones, and the science that deals with them is therefore ethical. For the same reason they come within the province of the State, which is the normal guardian of the general and permanent interests, moral and economic, of the community. The State does not stand to industry like a watchman who guards from the outside property in which he has himself no personal concern. It has a positive industrial office. It is, says Schmoller, the great educational institute of the human race, and there is no sense in suspiciously seeking to reduce its action in industrial affairs to a minimum. His theory of the State is that of the *Cultur-Staat*, in distinction from the *Polizei-Staat*, and the *Rechts-Staat*. The State can no longer be regarded as merely an omnipotent instrument for the maintenance of tranquillity and order in the name of Heaven; nor even as a constitutional organ of the collective national authority for securing to all individuals and classes in the nation, without exception, the rights and privileges which they are legally recognised to possess; but it must be henceforth looked upon as a positive agency for the spread of universal culture within its geographical territory.

With these views, the Socialists of the Chair could not fail to take an active concern with the class of topics thrown up by

the socialist movement, and exciting still so much attention in Germany under the name of the social question. They neither state that question nor answer it like the socialists, but their first offence, and the fountain of all their subsequent offending, in the judgment of their Manchester antagonists, consisted in their acknowledgment that there was a social question at all. Not that the Manchester party denied the existence of evils in the present state of industry, but they looked upon these evils as resulting from obstructions to the freedom of competition which time, and time alone, would eventually remove, and from moral causes with which economists had no proper business. The Socialists of the Chair, however, could not dismiss their responsibility for those evils so easily. They owned at once that a social crisis had arisen or was near at hand. The effect of the general adoption of the large system of production had been to diminish the numbers of the middle classes, to reduce the great bulk of the lower classes permanently to the position of wage-labourers, and to introduce some grave elements of peril and distress into the condition of the wage-labourers themselves. They are doubtless better fed, better lodged, better clad, than they were say in the middle and end of last century, when not one in a hundred of them had shoes to his feet, when seven out of eight on the Continent were still bondsmen, and when three out of every four in England had to eke out their wages by parochial relief. But, in spite of these advantages, their life has now less hope and less security than it had then. Industry on the great scale has multiplied the vicissitudes of trade, and rendered the labourer much more liable to be thrown out of work. It has diminished the avenues to comparative independence and dignity which were open to the journeyman under the *régime* of the small industries. And while thus condemned to live by wages alone all his days, he could entertain no reasonable hope—at least before the formation of trade unions—that his wages could be kept up within reach of the measure of his wants, as these wants were being progressively expanded by the general advance of culture. Moreover, the twinge of the case lies here, that while the course which industrial development is taking seems to be banishing hope and security more and more from

the labourer's life, the progress of general civilization is making these benefits more and more imperatively demanded. The working classes have been growing steadily in the scale of moral being. They have acquired complete personal freedom, legal equality, political rights, general education, a class consciousness; and they have come to cherish a very natural and legitimate aspiration that they shall go on progressively sharing in the increasing blessings of civilization. Brentano says that modern public opinion concedes this claim of the working man as a right to which he is entitled, but that modern industrial conditions have been unable as yet to secure him in the possession of it; hence the Social Question. Now some persons may be ready enough to admit this claim as a thing which it is eminently desirable to see realized, who will yet demur to the representation of it as a right, which puts society under a corresponding obligation. But this idea is a peculiarity belonging to the whole way of thinking of the Socialists of the Chair upon these subjects. Some of them indeed take even higher ground. Schmoller, for example, declares that the working classes suffer positive wrong in the present distribution of national wealth, considered from the standpoint of distributive justice; but his associates as a rule do not agree with him in applying this abstract standard to the case. Wagner also stands somewhat out of the ranks of his fellows by throwing the responsibility of the existing evils directly and definitely upon the State. According to his view, there can never be anything which may be legitimately called a Social Question, unless the evils complained of are clearly the consequences of existing legislation, but he holds that that is so in the present case. He considers that a mischievous turn has been given to the distribution of wealth by legalizing industrial freedom without at the same time imposing certain restrictions upon private property, the rate of interest, and the speculations of the Stock Exchange. The State has, therefore, caused the Social Question; and the State is bound to settle it. The other Socialists of the Chair, however, do not bring the obligation so dead home to the civil authority alone. The duty rests on society, and, of course, so far on the State also, which is the chief organ of society; but it is not to State-help alone,

nor to self-help alone, that the Socialists of the Chair ask working men to look; but it is to what they term the self-help of society. Society has granted to the labouring classes the rights of freedom and equality, and has, therefore, come bound to give them, as far as it legitimately can, the amplest facilities for practically enjoying these rights. To give a man an estate mortgaged above its rental is only to mock him; to confer the status of freedom upon working men merely to leave them overwhelmed in an unequal struggle with capital is to make their freedom a dead letter. Personal and civil independence require, as their indispensable accompaniment, a certain measure of economic independence likewise, and consequently to bestow the former as an inalienable right, and yet take no concern to make the latter a possibility, is only to discharge one-half of an obligation voluntarily undertaken, and to deceive expectations reasonably entertained. No doubt this independence is a thing which working men must in the main win for themselves, and day after day, by labour, by providence, by association; but it is nevertheless an important point to remember, with Brentano, that it forms an essential part of an ideal which society has already acknowledged to be legitimate, and which it is therefore bound to second every effort to realize. The Social Question, conceived in the light of these considerations, may accordingly be said to arise from the fact that a certain material or economic independence has become more necessary for the working man, and less possible. It is more necessary, because, with the sanction of modern opinion, he has awoke to a new sense of personal dignity, and it is less possible, in consequence of circumstances already mentioned, attendant upon the development of modern industry. It is not, as Lord Macaulay maintained, that the evils of man's life are the same now as formerly, and that nothing has changed but the intelligence which has become conscious of them. The new time has brought new evils and less right or disposition to submit to them. It is the conflict of these two tendencies which, in the thinking of the Socialists of the Chair, constitutes the social crisis of the present day. Some of them, indeed, describe it in somewhat too abstract formulæ, which exercise an embarrassing influence on their speculations. For example,

Von Scheel says the Social Question is the effect of the felt contradiction between the ideal of personal freedom and equality which hangs before the present age, and the increasing inequality of wealth which results from existing economic arrangements; and he proposes as the general principle of solution, that men should now abandon the exclusive devotion which modern Liberalism has paid to the principle of freedom, and substitute in its room an adhesion to freedom *plus* equality. But then equality may mean a great many different things, and Von Scheel leaves us with no precise clue to the particular scope he would give his principle in its application. He certainly seems to desire more than a mere equality of right, and to aim at some sort or degree of equality of fact, but what or how he informs us not; just as Schmoller, while propounding the dogma of distributive justice, condemns the communistic principle of distribution of wealth as being a purely animal principle, and offers us no other incorporation of his dogma. In spite of their antipathy to abstractions, many of the Socialists of the Chair indulge considerably in barren generalities, which could serve them nothing in practice, even if they did not make it a point to square their practice by the historical conditions of the hour.

Brentano strikes on the whole the most practical keynote, both in his conception of what the social question is and of how it is to be met. What is needed, he thinks, very much is to give to modern industry an organization as suitable to it as the old guilds were to the industry of earlier times, and this is to be done in great part by adaptations of that model. He makes comparatively little demand on the power of the State, while of course agreeing with the rest of his school in the latitude they give to the lawfulness of its intervention in industrial matters. He would ask it to bestow a legal status on trade unions and friendly societies, to appoint courts of conciliation, to regulate the hours of labour, to institute factory inspection, and to take action of some sort on the daily more urgent subject of labourers' dwellings. But the elevation of the labouring classes must be wrought mainly by their own well-guided and long-continued efforts, and the first step is gained when they have resolved earnestly to begin. The pith of the problem

turns on the matter of wages, and, so far at any rate, it has already been solved almost as well as is practicable by the English trade unions, which have proved to the world that they are always able to convert the question of wages from the question how little the labourer can afford to take, into the question how much the employer is able to give—*i.e.*, from the minimum to the maximum which the state of the market allows. That is, of course, a very important change, and it is interesting to know that F. A. Lange, the able and distinguished historian of Materialism, who had written on the labour question with strong socialist sympathies, stated to Brentano that his account of the English trade unions had converted him entirely from his belief that a socialistic experiment was necessary. Brentano admits that the effect of trade unions is partial only; that they really divide the labouring class into two different strata—those who belong to the trade unions being raised to a higher platform, and those who do not being left as they were in the gall of bitterness. But then, he observes, great gain has been made when at least a large section of the working class has been brought more securely within the pale of advancing culture, and it is only in this gradual way—section by section—that the elevation of the whole body can be eventually accomplished. The trade union has imported into the life of the working man something of the element of hope which it wanted, and a systematic scheme of working-class insurance is now needed to introduce the element of security. Brentano has published an excellent little work on that subject; and here again he asks no material help from the State. The working class must insure themselves against all the risks of their life by association, just as they must keep up the rate of their wages by association; and for the same reasons—first, because they are able to do so under existing economic conditions, and second, because it is only so the end can be gained consistently with the modern moral conditions of their life—*i.e.*, with the maintenance of their personal freedom, equality, and independence. Brentano thinks that the sound principle of working-class insurance is that every trade union ought to become the insurance society for its trade, because every trade has its own special risks and therefore requires its own insur-

ance premium, and because malingering, feigned sickness, claims for loss of employment through personal fault, and the like, cannot possibly be checked except by the fund being administered by the local lodges of the trade to which the subscribers belong. The insurance fund might be kept separate from the other funds of the union, but he sees no reason why it should not be combined with them, as it would only constitute a new obstacle to ill-considered strikes, and as striking in itself will, he expects, in course of time, give way to some system of arbitration. Brentano makes no suggestion regarding the mass of the working class who belong to no trade union. They cannot be dealt with in the same way, or so effectively. But this is quite in keeping with the general principle of the Socialists of the Chair—in which they differ *toto cœlo* from the socialists—that society is not to be ameliorated by rigidly applying to every bit of it the same plan, but only by a thousand modifications and remedies adapted to its thousand varieties of circumstances and situations.

CHAPTER VII.

THE CHRISTIAN SOCIALISTS.

THE idea that a radical affinity exists between Christianity and socialism in their general aim, in their essential principles, in their pervading spirit, has strong attractions for a certain by no means inferior order of mind, and we find it frequently maintained in the course of history by representatives of both systems. Some of the principal socialists of the earlier part of this century used to declare that socialism was only Christianity more logically carried out and more faithfully practised; or, at any rate, that socialism would be an idle superfluity, if ordinary Christian principles were really to be acted upon honestly and without reserve. St. Simon published his views under the title of the "Nouveau Christianisme," and asserted that the prevailing forms of Christianity were one gigantic heresy; that both the Catholic and the Protestant Churches had now lost their power, simply because they had neglected their great temporal mission of raising the poor, and because their clergy had given themselves up to barren discussions of theology, and remained absolutely ignorant of the living social questions of the time; and that the true Christian *régime* which he was to introduce was one which should be founded on the Christian principle that all men are brothers; which should be governed by the Christian law, "Have ye love one to another," and in which all the forces of society should be mainly consecrated to the amelioration of the most numerous and poorest class. Cabet was not less explicit. He said that "if Christianity had been interpreted and applied in the spirit of Jesus Christ, if it were rightfully understood and faithfully obeyed by the numerous sections of Christians who are really filled with a sincere piety, and need only to know the truth to follow it, then Christianity would have sufficed, and would still suffice,

to establish a perfect social and political organization, and to deliver mankind from all its ills."

The same belief, that Christianity is essentially socialistic, has at various times appeared in the Church itself. The socialism of the only other period in modern history besides our own century, in which socialistic ideas have prevailed to any considerable extent, was, in fact, a direct outcome of Christian conviction, and was realized among Christian sects. The socialism of the Anabaptists of the Reformation epoch was certainly mingled with political ideas of class emancipation, and contributed to stir the insurrection of the German peasantry; but its real origin lay in the religious fervour which was abroad at the time, and which buoyed sanguine and mystical minds on dreams of a reign of God. When men feel a new and better power arising strongly about them, they are forward to throw themselves into harmony with it, and there were people, touched by the religious revival of the Reformation, who sought to anticipate its progress, as it were, by living together like brothers. Fraternity is undoubtedly a Christian idea, come into the world with Christ, spread abroad in it by Christian agencies, and belonging to the ideal that hovers perpetually over Christian society. It has already produced social changes of immense consequence, and has force in it, we cannot doubt, to produce many more in the future; and it is therefore in nowise strange that in times of religious zeal or of social distress, this idea of fraternity should appeal to some eager natures with so urgent an authority, both of condemnation and of promise, that they would fain take it at once by force and make it king.

The socialism of the present day is not of a religious origin. On the contrary, there is some truth in the remark of a distinguished economist, M. Paul Leroy-Beaulieu, that the prevalence of socialistic ideas is largely due to the decline of religious faith among the working classes. If there is only the one life, they feel they must realize their ideal here and realize it quickly, or they will never realize it at all. However this may be, the fact is certain that most contemporary socialists have turned their backs on religion. They sometimes speak of it with a kind of suppressed and settled bitterness as of a friend that has

proved faithless: "We are not atheists: we have simply done with God." They seem to feel that if there be a God, He is, at any rate, no God for them, that He is the God of the rich, and cares nothing for the poor, and there is a vein of most touching, though most illogical, reproach in their hostility towards a Deity whom they yet declare to have no existence. They say in their heart, There is no God, or only one whom they decline to serve, for He is no friend to the labouring man, and has never all these centuries done anything for him. This atheism seems as much matter of class antipathy as of free-thought; and the semi-political element in it lends a peculiar bitterness to the socialistic attacks on religion and the Church, which are regarded as main pillars of the established order of things, and irreconcileable obstructives to all socialist dreams. The Church has, therefore, as a rule looked upon the whole movement with a natural and justifiable suspicion, and has, for the most part, dispensed to it an indiscriminate condemnation. Some Churchmen, however, scruple to assume this attitude; they recognise a soul of good in the agitation, if it could be stripped of the revolutionary and atheistic elements of its propaganda, which they hold to be, after all, merely accidental accompaniments of the system, at once foreign to its essence and pernicious to its purpose. It is in substance, they say, an economic movement, both in its origin and its objects, and so far as it stands on this ground they have no hesitation in declaring that in their judgment there is a great deal more Christianity in socialism than in the existing industrial *régime*. Those who take this view, generally find a strong bond of union with socialists in their common revolt against the mammonism of the church-going middle classes, and against some current economic doctrines, which seem almost to canonize what they count the heartless and un-Christian principles of self-interest and competition.

Such, for example, was the position maintained by the Christian Socialists of England thirty years ago—a band of noble patriotic men who strove hard, by word and deed, to bring all classes of the community to a knowledge of their duties, as well as their interests, and to supersede, as far as might be, the system of unlimited competition by a system of

universal co-operation. They inveighed against the Manchester creed, then in the flush of success, as if it were the special Antichrist of the nineteenth century. Lassalle himself has not used harder, more passionate, or more unjust words of it. Maurice said he dreaded above everything "that horrible catastrophe of a Manchester ascendancy, which I believe in my soul would be fatal to intellect, morality, and freedom"; and Kingsley declared that "of all narrow, conceited, hypocritical, anarchic, and atheistic schemes of the universe, the Cobden and Bright one was exactly the worst." They agreed entirely with the socialists in condemning the reigning industrial system: it was founded on unrighteousness; its principles were not only un-Christian, but anti-Christian; and in spite of its apparent commercial victories, it would inevitably end in ruin and disaster. Some of them had been in Paris and witnessed the Revolution of 1848, and had brought back with them two firm convictions—one, that a purely materialistic civilization, like that of the July Monarchy, must sooner or later lead to a like fate; and the other, that the socialist idea of co-operation contained the fertilizing germ for developing a really enduring and Christian civilization. Mr. J. M. Ludlow mentioned the matter to Maurice, and eventually a Society was formed, with Maurice as president, for the purpose of promoting co-operation and education among the working classes. It is beyond the scope of the present work to give any fuller account of this interesting and not unfruitful movement here; but it is to the purpose to mark two peculiarities which distinguish it from other phases of socialism. One is, that they insisted strongly upon the futility of mere external changes of condition, unattended by corresponding changes of inner character and life. "There is no fraternity," said Maurice, finely, "without a common Father." Just as it is impossible to maintain free institutions among a people who want the virtues of freemen, so it is impossible to realize fraternity in the general arrangements of society, unless men possess a sufficient measure of the industrial and social virtues. Hence the stress the Christian Socialists of England laid on the education of the working classes. The other peculiarity is, that they did not seek in any way whatever

to interfere with private property, or to invoke the assistance of the State. They believed self-help to be a sounder principle, both morally and politically, and they believed it to be sufficient. They held it to be sufficient, not merely in course of time, but immediately even, to effect a change in the face of society. For they loved and believed in their cause with a generous and touching enthusiasm, and were so sincerely and absolutely persuaded of its truth themselves, that they hardly entertained the idea of other minds resisting it. "I certainly thought," says Mr. I. Hughes, "(and for that matter have never altered my opinion to this day) that here we had found the solution to the great labour question; but I was also convinced that we had nothing to do but just to announce it, and found an association or two, in order to convert all England, and usher in the millennium at once, so plain did the whole thing seem to me. I will not undertake to answer for the rest of the council, but I doubt whether I was at all more sanguine than the majority." Seventeen co-operative associations in London, and twenty-four in the provinces (which were all they had established when they ceased to publish their Journal), may seem a poor result, but their work is not to be estimated by that alone. The Christian Socialists undoubtedly gave a very important impetus to the whole movement of co-operation, and to the general cause of the amelioration of the labouring classes.

The general position of Maurice and his allies (though with important differences, as will appear) has been taken up again by two groups in Germany at the present day—one Catholic, the other Protestant—in dealing with the social question which has for many years agitated that country. In one respect the Christian Socialists of England were more fortunate than their German brethren. Nobody ever ventured to question the purity of their motives. The intervention of the clergy in politics is generally unpopular: they are thought, rightly or wrongly, to be Churchmen first, and patriots afterwards; but it was impossible to suspect Maurice and his friends of being influenced in their efforts at reform by considerations of ecclesiastical or electoral interest, or of having any object at heart but the social good of the nation. It is otherwise with

the Christian Socialists of Germany. Neither of the two German groups affects to conceal that one great aim of its work is to restore and extend the influence of the Church among the labouring classes; and it is unlikely that the Clerical party in Germany were insensible to the political advantage of having organizations of working men under ecclesiastical control, though it ought to be acknowledged that these organizations were contemplated before the introduction of universal suffrage. But even though ecclesiastical considerations mingled with the motives of the Christian Socialists, we see no reason to doubt the genuineness of their interest in the amelioration of the masses, or the sincerity of their conviction of the economic soundness of their programme.

The Catholic group deserves to be considered first, because it intervened in the discussion much sooner than the Evangelical, and because it originated a much more important movement—larger in its dimensions than the other, and invested with additional consequence from the circumstance that being promoted under the countenance of dignitaries, it must be presumed to have received the sanction of the Roman Curia, and may therefore afford an index to the general attitude which the Catholic Church is disposed to assume towards Continental socialism. The socialist agitation had no sooner broken out, in 1863, than Dr. Döllinger, then a pillar of the Church of Rome, strongly recommended the Catholic clubs of Germany to take the question up. These clubs are societies for mutual improvement, recreation, and benefit, and are composed mainly of working men. Father Kölping, himself at the time a working man, had, in 1847, founded an extensive organization of Catholic journeymen, which, in 1872, had a total membership of 70,000, and consisted of an affiliation of small journeyman clubs, with a membership of from 50 to 400 each, in the various towns of Germany. Then there were also Catholic apprentice clubs—in many cases in alliance with those of the journeymen; there were Catholic master clubs, Catholic peasant clubs, Catholic benefit clubs, Catholic young men's clubs, Catholic credit clubs, Catholic book clubs, etc., etc. These clubs naturally afforded an organization ready to hand for any general purpose the

members might share in common, and being composed of working men, they seemed reasonably calculated to be of effective service in forwarding the cause of social amelioration. Early in 1864, accordingly, Bishop Ketteler, of Mayence, warmly seconded Döllinger's idea, and at the same time published a remarkable pamphlet on "The Labour Question and Christianity," in which he unfolded his views of the causes and the cure of the existing evils.

William Immanuel, Baron von Ketteler, had been for twenty years a powerful and impressive figure in the public life of Germany. His high rank, social and ecclesiastical, his immense energy, his weight of character, his personal disinterestedness of purpose, and his intellectual vigour and acuteness, had combined to give him great importance both in Church and State. Born in 1811, of an ancient Westphalian family, he was trained in law and politics for the public service, and actually entered upon it, but resigned his post in 1838, in consequence of the dispute about the Cologne bishopric, and resolved to give himself to the work of the Church. After studying theology at Munich and Münster, he was ordained priest in 1844, and became soon afterwards pastor at Hopster, in Westphalia. Being sent as member for Langerich to the German National Assembly at Frankfort in 1848, he at once made his mark by the vigour with which he strove for the spiritual independence of the Church, by the lectures and sermons he delivered on questions of the day, and especially by a bold and generous oration he pronounced at the grave of the assassinated deputy, Prince Lichnowsky. This oration excited sensation all over Germany, and Ketteler was promoted, in 1849, to the Hedwigsburg Church, in Berlin, and in 1850 to the Bishopric of Mayence. In this position he found scope for all his powers. He founded a theological seminary at Mayence, erected orphan-houses and reformatories, introduced various religious orders and congregationist schools, and entering energetically into the disputes in Baden regarding the place and rights of the Catholic Church, he succeeded in establishing an understanding whereby the State gave up much of its patronage, its supervision of theological seminaries, its veto on ecclesiastical arrangements, restored episcopal

courts, and assigned the Church extensive influence over popular education. He was one of the bishops who authorized the dogma of the Immaculate Conception in 1854, but he belonged to the opposition at the Vatican Council of 1870. He wrote a pamphlet strongly deprecating the promulgation of the dogma of infallibility, and went, even at the last moment, to the Pope personally, and implored him to abandon the idea of promulgating it; but as his objection respected its opportuneness and not its truth, he did not secede with Döllinger when his opposition failed, but accepted the dogma himself and demanded the submission of his clergy to it. Bishop Ketteler was returned to the German Imperial Diet in 1871, and led the Clerical Faction in opposing the ecclesiastical policy of the Government. He died at Binghausen, in Bavaria, in 1877, and is buried in Mayence Cathedral. Ketteler had always been penetrated with the ambition of making the Catholic Church a factor of practical importance in the political and social life of Germany, and with the conviction that the clergy ought to make themselves masters of social and political science so as to be able to exercise a leading and effective influence over public opinion on questions of social amelioration. He has himself written much, though nothing of permanent value, on these subjects, and did not approach them with unwashed hands when he published his pamphlet in 1864.

In this pamphlet, he says the labour question is one which it is his business, both as a Christian and as a bishop, to deal with: as a Christian, because Christ, as Saviour of the world, seeks not only to redeem men's souls, but to heal their sorrows and soften their condition; and as a bishop, because the Church had, according to her ancient custom, imposed upon him, as one of his consecration vows, that he would, "in the name of the Lord, be kind and merciful to the poor and the stranger, and to all that are in any kind of distress." He considers the labour question of the present day to be the very serious and plain question, how the great bulk of the working classes are to get the bread and clothing necessary to sustain them in life. Things have come to this pass in consequence of two important economic changes—which he incorrectly ascribes

to the political revolution at the end of last century, merely because they have taken place mostly since that date—the spread of industrial freedom, and the ascendancy of the large capitalists. In consequence of these changes the labourer is now treated as a commodity, and the rate of his wages settled by the same law that determines the price of every other commodity—the cost of its production; and the employer is always able to press wages down to the least figure which the labourer will take rather than starve. Ketteler accepts entirely Lassalle's teaching about "the iron and cruel law," and holds it to have been so conclusively proved in the course of the controversy that it is no longer possible to dispute it without a deliberate intention of deceiving the people. Now there is no doubt that Ricardo's law of value is neither so iron nor so cruel as Lassalle took it to be; and that when Lassalle alleged that in consequence of this law 96 per cent. of the population of Germany had to support their families on less than ten shillings a week, and were therefore in a state of chronic starvation, he based his statement on a calculation of Dieterici's, which was purely conjectural, and which, besides, disregarded the fact that in working-class families there were usually more breadwinners than one. Ketteler, however, adopts this whole statement of the case implicitly, and says the social problem of our day is simply how to emancipate the labouring class from the operation of this economic law. "It is no longer possible to doubt that the whole material existence of almost the entire labouring population—*i.e.*, of much the greatest part of men in modern states, and of their families—that the daily question about the necessary bread for man, wife, and children, is exposed to all the fluctuations of the market and of the price of commodities. I know nothing more deplorable than this fact. What sensations must it cause in those poor men who, with all they hold dear, are day after day at the mercy of the accidents of market price? That is the slave market of our Liberal Europe, fashioned after the model of our humanist, rationalistic, anti-Christian Liberalism, and freemasonry." The bishop never spares an opportunity of attacking "heathen humanist Liberalism," which he says has pushed the labouring man into the water,

and now stands on the bank spinning fine theories about his freedom, but calmly seeing him drown.

After this it might be expected that Ketteler would be all for abolishing industrial freedom, and for restoring a *régime* of compulsory guilds and corporations; but he is not. He acknowledges that the old system of guilds had its advantages; it was a kind of assured understanding between the workman and society, according to which the former adjusted his work and the latter his wages. But it was the abuses of the compulsory powers of the guilds that led to industrial freedom; and, on the other hand, industrial freedom has great countervailing advantages of its own which he scruples to give up. It has immensely increased production and cheapened commodities, and so enabled the lower classes to enjoy means of life and enjoyment they had not before. Nor does Ketteler approve of Lassalle's scheme of establishing productive associations of working men upon capital supplied by the State. Not that he objects to productive associations; on the contrary, he declares them to be a glorious idea, and thinks them the true solution of the problem. But he objects to supplying their capital by the State, as involving a direct violation of the law of property. The Catholic Church, he says, has never maintained an absolute right of property. Her divines have unanimously taught that the right of property cannot avail against a neighbour who is in extreme need, because God alone is absolute proprietor, and no man is more than a limited vassal, holding under God, and on the conditions which He imposes; and one of these conditions is that any man in extremities is entitled to satisfy his necessity where and how he pleases.* In such a case, according to Catholic

* The bishop draws this conclusion from the principle that God has directed all men to nature to obtain from it the satisfaction of their necessary wants, and that this original right of the needy cannot be superseded by the subsequent institution of private property. No doubt, he admits, that institution is also of God. It is the appointed way by which man's dominion over nature is to be realized, because it is the way in which nature is best utilized for the higher civilization of man. But this purpose is secondary and subordinate to the other. And, therefore, concludes the bishop, "firmly as theology upholds the right of private

doctrine, it is not the man in distress that is the thief, but the proprietor who would gainsay and stop him. The distressed have a positive right to succour, and the State may therefore, without violating any of the rights of property, tax the parishes, or the proprietors, for the relief of the poor. But beyond this the State has no title to go. It may legitimately tax people for the purpose of saving working men from extremities, but not for the purpose of bettering their normal position.

But where the civil authority ends the Christian authority comes in, and the rich have only escaped the obligation of compulsory legal enactment, to find themselves under the more far-reaching obligations of moral duty and Christian love. The Church declares that the man who does not give alms where he ought to give it stands in the same category as a thief; and there is no limit to this obligation but his power of giving help, and his belief that it would be more hurtful to give than to keep it. Ketteler's plan, accordingly, is that the capital for the productive associations should be raised by voluntary subscriptions on the part of Christian people. He thinks he has made out a strong case for establishing this as a Christian obligation. He has shown that a perilous crisis prevails, that this crisis can only be removed by productive associations, that productive associations cannot be started without capital, and he says it is a vain dream of Huber's to think of getting the capital from the savings of working men themselves, for most of the working men are in a distressed condition, and if a few are better off, their savings could only establish associations so few in number and so small in scale, as to be little better than trifling with the evil. He sees no remedy but making productive associations a scheme of the Church, and appealing to that Christian philanthropy and sense of duty which had already done great service of a

property, it asserts at the same time that the higher right by which all men are directed to nature's supplies dare not be infringed, and that, consequently, any one who finds himself in extreme need is justified, when other means fail, in satisfying this extreme need where and how he may (wo und wie er es vermag)."—*Die Arbeiter-frage und das Christenthum* (p. 78).

like nature—as, for example, in producing capital to emancipate slaves in Italy and elsewhere.

This remarkable proposal of the bishop seems to have fallen dead. Though he wrote and laboured much in connection with the labour question afterwards, he never reverted to it again; and when a Christian Socialist party was formed, under his countenance, they adopted á programme which made large demands not only on the intervention, but on the pecuniary help of the State. It was not till 1868 that any steps were taken towards the actual organization of such a party. In June of that year three Catholic clubs met together at Crefeld, and, after discussing the social question, agreed to publish a journal (the *Christliche Sociale Blätter*) to promote their views. In September of the following year the whole subject of the relations of the Church to the labour question was discussed at a conference of the Catholic bishops of Germany, held at Fulda, and attended by Ketteler among others. This conference strongly recommended the clergy to make themselves thoroughly acquainted with that and other economic questions, to interest themselves generally in the condition of the working class they moved among, and even to travel in foreign countries to see the state of the labourers there and the effects of the institutions established for their amelioration. The conference also approved of the formation of Catholic Labourers' Associations, for the promotion of the general elevation of their own class, but held that the Church had no call, directly or officially, to take the initiative in founding them. This duty was undertaken, however, later in the same month, by a general meeting of the Catholic Clubs of Germany, which appointed a special committee, including Professor Schulte and Baron Schorlemer-Abst, for the express purpose of founding and organizing Christian social clubs, which should strive for the economic and moral amelioration of the labouring classes. This committee set itself immediately to work, and the result was the Christian Social Associations, or, as they are sometimes called from their patron saint, the St. Joseph Associations. They were composed of, and managed by, working men, though they liked to have some man of eminence—never a clergyman—at the head of them, and

though they allowed persons of property, clergymen, and especially employers of labour, to be honorary members. They met every Sunday evening to discuss social questions, and politics were excluded, except questions affecting the Church, and on these a decided partisanship was encouraged.

The principles of this party—or what may be called their programme—is explained in a speech delivered by Canon Moufang to his constituents in Mayence, in February, 1871, and published with warm approbation, in the *Christliche Sociale Blätter* in March. Christoph Moufang is, like Ketteler, a leader of the German Clerical party, and entitled to the highest esteem for his character, his intellectual parts, and his public career. Born in 1817, he was first destined for the medical profession, and studied physic at Bonn; but he soon abandoned this intention, and betook himself to theology. After studying at Bonn and Munich, he was ordained priest in 1839. He was appointed in 1851 professor of moral and pastoral theology in the new theological seminary which Bishop Ketteler had founded at Mayence, and in 1854 was made canon of the cathedral. Moufang entered the First Hessian Chamber in 1862 as representative of the bishop, and made a name as a powerful champion of High Church views and of the general ecclesiastical policy of Bishop Ketteler. In 1868 he was chosen one of the committee to make preparations for the Vatican Council; but at the Council he belonged to the opponents of the dogma of infallibility, and left Rome before the dogma was promulgated. He submitted afterwards, however, and worked sedulously in its sense. Moufang sat in the Imperial Diet from 1871 to 1877, was a leading member of the Centre, and stoutly resisted the Falk legislation. He is joint-editor of the *Katholik*, and is author of various polemical writings, and of a work on the history of the Jesuits in Germany.

Moufang takes a different view of the present duty of the Church in relation to the social question from that which we saw to have been taken by Ketteler. He asks for no pecuniary help from the Church, nor for any special and novel kind of activity whatever. The problem cannot, in his opinion, be effectively and permanently solved without her co-operation,

but then the whole service she is able and required to render is contained in the course of her ordinary ministrations in diffusing a spirit of love and justice and fairness among the various classes of society, in maintaining her charities for the poor and helpless in dispensing comfort and distress, and in offering to the weary the hope of a future life. Moufang makes much more demand on the State than on the Church, in this also disagreeing with Bishop Ketteler's pamphlet. He says the State can and must help the poorer classes in four different ways:—

1st. By giving legislative protection. Just as the landlord and the money-lender are legally protected in their rights by the State, so the labourer ought to be legally protected in his property, which are his powers and time of labour. The State ought to give him legal security against being robbed of these, his only property, by the operation of free competition. With this view, Moufang demands the legalization of working men's associations of various kinds, the prohibition of Sunday labour, the legal fixing of a normal day of labour, legal restriction of labour of women and children, legal provision against unwholesome workshops, appointment of factory inspectors, and direct legal fixing of the rate of wages. The last point is an important peculiarity in the position of the Catholic Socialists. Moufang contends that competition is a sound enough principle for regulating the price of commodities, but that it is a very unsound one, and a very unsafe one, for determining the price of labour, because he holds that labour is not a commodity. Labour is a man's powers of life; it is the man himself, and the law must see to its protection. The law protects the capitalist in his right to his interest, and surely the labouring man's powers of life are entitled to the same consideration. If an employer says to a capitalist from whom he has borrowed money: "A crisis has come, a depression in trade, and I am no longer able to pay such high interest; I will pay you two-thirds or one-third of the previous rate," what does the capitalist say? He refuses to take it, and why? Simply because he knows that the law will sustain him in his claim. But if the employer says to his labourer: "A depression of trade has come, and I cannot afford you more than two-thirds or one-third of your present wages," what can the labourer do?

He has no alternative. He must take the wages offered him or go, and to go means to starve. Why should not the law stand at the labourer's back, as it does at the capitalist's, in enforcing what is right and just? There is no more infraction of freedom in the one case than in the other. Moufang's argument here is based on an illusive analogy; for in the contract for the use of capital the employer agrees to pay a fixed rate of interest so long as he retains the principal, and he can only avail himself of subsequent falls in the money market by returning the principal and opening a fresh contract; whereas in the contract for the use of labour the employer engages by the week or the day, returning the principal, as it were, at the end of that term, and making a new arrangement. The point to be noted, however, is that Moufang's object, like Ketteler's, is to deliver working men from their hand-to-mouth dependence on the current fluctuations of the market; that he thinks there is something not merely pernicious but radically unjust in their treatment under the present system; and that he calls upon the State to institute some regular machinery—a board with compulsory powers, and composed of labourers and magistrates—for fixing everywhere and in every trade a fair day's wages for a fair day's work.

2nd. The State ought to give pecuniary help. It advances money on easy terms to railway schemes; why should it not offer working men cheap loans for sound co-operative enterprises? Of course it ought to make a keen preliminary examination of the projects proposed, and keep a sharp look-out against swindling or ill-considered schemes; but if the project is sound and likely, it should be ready to lend the requisite capital at a low interest. This proposal of starting productive associations on State credit is an important divergence from Ketteler, who, in his pamphlet, condemns it as a violation of the rights of property.

3rd. The State ought to reduce the taxes and military burdens of the labouring classes.

4th. The State ought to fetter the domination of the money power, and especially to check excesses of speculation, and control the operations of the Stock Exchange.

From this programme it appears that the Catholic move-

ment goes a long way with the socialists in their cries of wrong, but only a short way in their plans of redress. Moufang's proposals may be wise or unwise, but they contemplate only corrections of the present industrial system, and not its reconstruction. Many Liberals are disposed to favour the idea of establishing courts of conciliation with compulsory powers, and Bismarck himself once said, before the socialists showed themselves unpatriotic at the time of the French war, that he saw no reason why the State, which gave large sums for agricultural experiments, should not spend something in giving co-operative production a fair trial. The plans of labour courts and of State credit to approved co-operative undertakings are far from the socialist schemes of the abolition of private property in the instruments of production, and the systematic regulation of all industry by the State; and they afford no fair ground for the fear, which many persons of ability entertain, of "an alliance"—to use Bismarck's phrase—"between the black International and the red." Bishop Martensen holds Catholicism to be essentially socialistic, because it suppresses all individual rights and freedom in the intellectual sphere, as socialism does in the economic. But men may detest private judgment without taking the least offence at private property. A bigot need not be a socialist, any more than a socialist a bigot, though each stifles the principle of individuality in one department of things. If there is to be any alliance between the Church and socialism, it will be not because the former has been trained, under an iron organization, to cherish a horror of individuality and a passion for an economic organization as rigid as its own ecclesiastical one, but it will be because the Church happens to have a distinct political interest at the time in cultivating good relations with a new political force. How far Moufang and his associates have been influenced by this kind of consideration we cannot pretend to judge, but the sympathy they show is not so much with the socialists as with the labouring classes generally, and their movement is meant so far to take the wind from socialism, whether with the mere view of filling their own sails with it or no.

No voice was raised in the Protestant Churches in Germany

on the social question till 1878. They suffer from their absolute dependence on the State, and have become churches of doctors and professors, without effective practical interest or initiative, and without that strong popular sympathy of a certain kind which almost necessarily pervades the atmosphere of a Church like the Catholic, which pits itself against States, and knows that its power of doing so rests, in the last analysis, on its hold over the hearts of the people. The Home Missionary Society indeed discussed the question from time to time, but chiefly in connection with the effects of the socialist propaganda on the religious condition of the country; and it was this aspect of the subject that eventually stirred a section of the orthodox Evangelical clergy to take practical action. They asked themselves how it was that the working classes were so largely adopting the desolate atheistic opinions which were found associated with the socialist movement, when the Church offered to gather them under her wing, and brighten their life with the comforts and encouragements of Christian faith and hope. They felt strongly that they must take more interest in the temporal welfare of the working classes than they had hitherto done, and must apply the ethical and social principles of Christianity to the solution of economic problems and the promotion of social reform. In short, they sought to present Christianity as the labourer's friend. The leaders of this movement were men of much inferior calibre to those of the corresponding Catholic movement. The principal of them were Rudolph Todt, a pastor at Barentheim in Old Preignitz, who published in 1878 a book on "Radical German Socialism and Christian Society," which created considerable sensation; and Dr. Stöcker, then one of the Court preachers at Berlin, a member of the Prussian Diet, and an ardent promoter of reactionary policy in various directions. He is a warm advocate of denominational education, and of extending the power of the Crown, of the State, and of the landed class; and he was a prime mover in the Jew-baiting movement which excited Germany a few years ago. This antipathy to the Jews has been for many years a cardinal tendency of the "Agrarians," a small political group mainly of nobles and great landed proprietors, with whom Stöcker frequently allies him-

self, and who profess to treat all political questions from a strictly Christian standpoint, but work almost exclusively to assert the interests of the landowners against the growing ascendancy of the commercial and financial classes, among whom Jews occupy an eminent place. We mention this anti-Jewish agitation here to point out that, while no doubt fed by other passions also, one of its chief ingredients is that same antagonism to the *bourgeoisie*—compounded of envy of their success, contempt for their money-seeking spirit, and anger at their supposed expropriation of the rest of society—which animates all forms of continental socialism, and has already proved a very dangerous political force in the French Revolution of 1848.

Todt's work is designed to set forth the social principles and mission of Christianity on the basis of a critical investigation of the New Testament, which he believes to be an authoritative guide on economic as well as moral and dogmatic questions. He says that to solve the social problem, we must take political economy in the one hand, the scientific literature of socialism in the other, and keep the New Testament before us. As the result of his examination, he condemns the existing industrial *régime* as being decidedly unchristian, and declares the general principles of socialism, and even its main concrete proposals, to be directly prescribed and countenanced by Holy Writ. Like all who assume the name of socialist, he cherishes a marked repugnance to the economic doctrines of modern Liberalism, the leaven of the *bourgeoisie;* and much of his work is devoted to show the inner affinity of Christianity and socialism, and the inner antagonism between Christianity and Manchesterdom. He goes so far as to say that every active Christian who makes conscience of his faith has a socialistic vein in him, and that every socialist, however hostile he may be to the Christian religion, has an unconscious Christianity in his heart; whereas, on the other hand, the merely nominal Christian, who has never really got out of his natural state, is always a spiritual Manchestrist, worshipping *laissez faire, laissez aller*, with his whole soul, and that a Manchestrist is never in reality a true and sound Christian, however much he may usurp the name. Christianity and socialism are en-

gaged in a common work, trying to make the reality of things correspond better with an ideal state; and in doing their work they rely on the same ethical principle, the love of our neighbour, and they repudiate the Manchester idolatry of self-interest. The socialist ideas of liberty, equality, and fraternity are part and parcel of the Christian system; and the socialist ideas of solidarity of interests, of co-operative production, and of democracy have all a direct Biblical foundation, in the constitution and customs of the Church, and in the apostolic teaching regarding it.

Radical socialism, according to Todt, consists of three elements: first, in economics, communism; second, in politics, republicanism; third, in religion, atheism. Under the last head, of course, there is no analogy, but direct contradiction, between Socialism and Christianity; but Todt deplores the atheism that prevails among the socialists as not merely an error, but a fatal inconsistency. If socialism would but base its demands on the Gospel, he says, it would be resistless, and all labourers would flow to it; but atheistic socialism can never fulfil its own promises, and issues a draft which Christianity alone has the power to meet. It is hopeless to think of founding an enduring democratic State on the principles of liberty, equality, and fraternity, unless these principles are always sustained and reinvigorated by the Divine fraternal love that flows from faith in Jesus Christ.

As to the second principle of socialism, Todt says, that while Holy Scripture contains no direct prescription on the point, it may be inferentially established that a republic is the form of government that is most harmonious with the Christian ideal. His deduction of this is peculiar. The Divine government of the world, he owns, is monarchical, but then it is a government which cannot be copied by sinful men, and therefore cannot have been meant as a pattern for them. But God, he says, has established His Church on earth as a visible type of His own invisible providential government, and the Church is a "republic under an eternal President, sitting by free choice of the people, Jesus Christ." This is both fanciful and false, for Christ is an absolute ruler, and no mere minister of the popular will; and there is not the remotest ground for

founding a system of Biblical politics on the constitution of the Church. But it shows the length Todt is disposed to go to conciliate the favour of the socialists.

But the most important element of socialism is its third or economic principle—communism; and this he represents to be entirely in harmony with the economic ideal of the New Testament. He describes the communistic idea as consisting of two parts: first, the general principles of liberty, equality, and fraternity, which he finds directly involved in the Scriptural doctrines of moral responsibility, of men's common origin and redemption, and of the law of love; and second, the transformation of all private property in the instruments of production into common property, which includes three points: (*a*) the abolition of the present wages system; (*b*) giving the labourer the full product of his labour; and (*c*) associated labour. As to the first two of these points, Todt pronounces the present wages system to be thoroughly unjust, because it robs the labourer of the full product of his labour; and because unjust, it is unchristian. He accepts the ordinary socialist teaching about "the iron and cruel law." He accepts, too, Marx's theory of value, and declares it to be unanswerable; and he therefore finds no difficulty in saying that Christianity condemns a system which in his opinion grinds the faces of the labouring classes with incessant toil, filches from them the just reward of their work, and leaves them to hover hopelessly on the margin of destitution. If there is any scheme that promises effectually to cure this condition of things, Christianity will also approve of that scheme; and such a scheme he discovers in the socialist proposal of collective property and associated labour. This proposal, however, derives direct countenance, he maintains, from the New Testament. It is supported by the texts which describe the Church as an organism under the figure of a body with many members, by the example of the common bag of the twelve, and by the communism of the primitive Church of Jerusalem. But the texts about the Church as an organism have no real bearing on the subject at all; for the Church is not meant to be an authoritative pattern either for political or for economic organization; and besides, the figure of the body and its

members would apply better to Bastiat's theory of the natural harmony of interests than to the socialist idea of the solidarity of interests. Then the common bag of the disciples did not prevent them from having boats and other instruments of production of their own individual property; and we know that the communism of the primitive Church of Jerusalem (which was a decided economic failure, for the poverty of that Church had to be repeatedly relieved by collections in other parts of Christendom) was not a community of property, but, what is a higher thing, a community of use, and that it was not compulsory but spontaneous.

Todt, however, after seeming thus to commit himself and Christianity without reserve to socialism, suddenly shrinks from his own boldness, and draws back. Collective property may be countenanced by Scripture, but he finds private property to be as much or even more so; and he cannot on any consideration consent to the abolition of private property by force. It was right enough to abolish slavery by force, for slavery is an unchristian institution. But though private property is certainly founded on selfishness, there are so many examples of it presented before us in the New Testament without condemnation, that Todt shrinks from pronouncing it to be an unchristian institution. Collective property may be better, but private property will never disappear till selfishness is swallowed up of love; and a triumph of socialism at present, while its disciples are unbelievers and have not Christ, the fount of love, in their hearts, would involve society in much more serious evils than those which it seeks to remove. Todt's socialism, therefore, is not a thing of the present, but an ideal of the distant future, to be realized after Christian proprietors have come of their own accord to give up their estates, and socialists have all been converted to Christianity. For the present, in spite of his stern view of the great wrong and injustice the working classes suffer, Todt has no remedy to suggest, except that things would be better if proprietors learnt more to regard their wealth as a trust of which they were only stewards, and if employers treated their workmen with the personal consideration due to Christian brothers; and he thinks the cultivation of this spirit ought to be more ex-

pressly aimed at in the work of the Church. This is probably, after all, the sum of what Christianity has to say on the subject; but it seems a poor result of so much figuring and flourishing, to end in a general truth which can give no offence even in Manchester.

Soon after the publication of Todt's book, Stöcker and some Evangelical friends founded two associations, for the purpose of dealing with the social question from a Christian point of view, and established a newspaper, the *Staats-Socialist*, to advocate their opinions. Of the two associations, one, the Central Union for Social Reform, was composed of persons belonging to the educated classes—professors, manufacturers, landowners, and clergymen; and the other, the Christian Social Working Men's Party, consisted of working men alone. This movement was received on all sides with unqualified disapprobation. The press, Liberal and Conservative alike, spoke with contemptuous dislike of this *Mucker-Socialismus*, and said they preferred the socialists in blouse to the socialists in surplice. The Social Democrats rose against it with virulence, and held meetings, both of men and of women, at which they glorified atheism and bitterly attacked the clergy and religion. Even the higher dignitaries of the Church held coldly aloof or were even openly hostile. Stöcker met all this opposition with unflinching spirit, convened public meetings in Berlin to promote his cause, and confronted the socialist leaders on the platform. The movement gave promise of fair success. In a few months seven hundred pastors, besides many from other professions, including Dr. Koegel, Court preacher, and Dr. Buchsel, a German Superintendent, had enrolled themselves in the Central Union for Social Reform; and the Christian Social Working Men's Party had seventeen hundred members in Berlin, and a considerable number throughout the provinces. But its progress was interrupted by the Anti-Socialist Law, passed soon after the same year, which put an end to meetings of socialists; and since this measure was supported, though hesitatingly, by Stöcker and his leading allies, that impaired their influence with the labouring classes.

The principles of this party, as stated in their programme, may be said generally to be that a decided social question

exists, in the increasing gulf between rich and poor, and the increasing want of economic security in the labourer's life; that this question cannot possibly be solved by social democracy, because social democracy is unpractical, unchristian, and unpatriotic; and that it can only be solved by means of an extensive intervention on the part of a strong and monarchical State, aided by the religious factors in the national life. The State ought to provide by statute a regular organization of the working classes according to their trades, authorizing the trades unions to represent the labourers as against their employers, rendering these unions legally liable for the contracts entered into by their members, assuming a control of their funds, regulating the apprentice system, creating compulsory insurance funds, etc. Then it ought to protect the labourers by prohibiting Sunday labour, by fixing a normal day of labour, and by insisting on the sound sanitary condition of workshops. Further, it ought to manage the State and communal property in a spirit favourable to the working class, and to introduce high luxury taxes, a progressive income-tax, and a progressive legacy duty, both according to extent of bequest and distance of relationship. These very comprehensive reforms are, however, held to be inadequate without the spread of a Christian spirit of mutual consideration into the relations of master and workman, and of Christian faith, hope, and love into family life. Moreover they are not to be expected from a parliamentary government in which the commercial classes have excessive influence, and hence the Christian Socialists lay great stress on the monarchical element, and would give the monarch absolute power to introduce social reforms without parliamentary co-operation and even in face of parliamentary opposition. We have seen that Todt was disposed to favour a republican form of government, but probably, like the Czar Nicholas, he has no positive objection to any other save the constitutional. His party has certainly adopted a very Radical social programme, but it is above all a Conservative group, seeking to resist the revolutionary and materialistic tendencies of socialism, and to rally the great German working class once more round the standard of God, King, and Fatherland.

Dr. Stöcker has during the past year resuscitated his Christian Socialist organization under the name of the Social Monarchical Union, but without any prospect of much success; for its founder, as the result of his twelve years' bustling in the troubled waters of politics, has fallen out of favour alike with court, Church, and people. He has lost his place as royal chaplain, he is bitterly distrusted by the working classes, and his socialist opinions are a great rock of offence to his ecclesiastical brethren. A congress under Church auspices was held at Berlin on May 28th and 29th, 1890, and it was called the Evangelical Social Congress, as was explained by Professor A. Wagner, the economist, in his inaugural speech, to avoid being connected with the Christian Socialists. Dr. Stöcker read a paper at it on social democracy, which raised a storm of dissension, mainly for its attack upon the Jews. This congress, it may be noted, asked nothing from Government but a little attention to the housing of the poor, and its chief recommendations were (1) that every parish be organized under the social-political as well as spiritual supervision of the clergy; (2) that Evangelical Working Men's Unions be established in all industrial centres; (3) that benevolent or friendly societies be organized for all trades, such as exist now in mining; (4) that since social democracy threatened the Divine and human order of society, and could only be successfully opposed by the power of the gospel, a responsible mission lay upon the Church to combat and counteract it. This mission was to be accomplished in two ways: first, by awakening in all Evangelical circles the conviction that the present social crisis was due to a universal national guilt, the guilt of materialistic learning and living; and, second, by awakening masters to a sense of their duty to their men, as morally their equals, and by awakening the men to a sense of the moral vocation of the masters. In other words, the social mission of the Church, according to the dominant opinion at this congress, was just to do its ordinary work of preaching repentance, faith, and love, and was much better represented by Dr. Stöcker's Home Missionary Society than by his Social Monarchical Union.

On this question of the duty of the Church with regard to the social amelioration of the people, there are everywhere two

opposite tendencies of opinion. One says there is no specific Christian social politics, and that the Church can never have a specific social-political programme. Slavery is undoubtedly inconsistent with the moral spirit of the gospel, but St. Paul was not an emancipationist in practical life. He neither raises the question of emancipation as a matter of political agitation, nor does he bid, or beg, his friend Philemon to set Onesimus at liberty, but to receive him as a brother beloved; just as any of St. Paul's successors might enjoin a Christian master to treat his Christian servant. Christianity is an inspiration, and may be expected to change the character of social relations as it changes the character of men; but political programmes are always things of opportunity and temporary compromise, and it would be very unadvisable to run at any moment a Christian political party, because it would necessarily make Christianity responsible for imperfections incident to party politics, and lessen rather than help the weight of its testimony in the world.

Then, on the other hand, there are those who hold that there is a specific Christian social politics; that there is a distinct social and political system, either directly enjoined by Holy Writ, or inferentially resulting from it, so as to be truly a system of Divine right. That is the claim put forward by Dr. Stöcker for his system of social monarchy, and it is the position of sundry other groups of socialists, who base their policy on the agrarian ordinances of Moses, or the communism of the primitive Churches, or the general spirit of the teaching of Jesus Christ. But Christian Socialism, in any of these forms, is evidently at a discount in the Evangelical Church in Germany; and the representative men in that Church, whatever they may do as private citizens, would seem to refrain, perhaps too jealously, from formulating in the name of religion any demands for the action of the State in the social question.

Indeed, among Protestants, what is called Christian Socialism is little more than a vagrant opinion in any country; but among Catholics it has grown into a considerable international movement, and has in several States—especially in Austria—left its mark on legislation. The movement was started in Austria by a Protestant, Herr Rudolph Meyer, the well-known

author of the "Emancipationskampf des Arbeit" and other works; but he was influentially and effectively seconded by Prince von Liechtenstein, Counts Blome and Kuefstein, and Herr von Vogelsang, who is now editor of the special organ of the movement, the *Vaterland*, of Vienna. In France there had long been a school of Catholic social reformers, the disciples of the Economist Le Play, and they are still associated in the Society of Social Peace, and advocate their views in the periodical *La Réforme Sociale*. They are believers in liberty, however, and would not be called socialists. But there are now two newer schools of Catholic social reformers, who declare their aim to be the re-establishment of Christian principles in the world of labour, but are divided on the point of State intervention.

The school who believe in State intervention are the more numerous; they are led by Count Albert de Mun and the Marquis de la Tour de Pin Chambly, have a separate organ, *L'Association Catholique*, and are supported by a large organization of Catholic workmen's clubs, founded by Count de Mun. There were 450 of these clubs in 1880, and they combine the functions of a religious club, a co-operative store, and a friendly society. The school who uphold the principle of liberty also publish an organ, *L'Union Economique*, edited by the Franciscan Father le Basse, and their best known leaders are two Jesuit priests, Fathers Forbes and Caudron. There is likewise a Catholic Socialist movement in Switzerland and Belgium, in both cases strongly in favour of State intervention; and, indeed, Italy is the only Catholic country in which the Church holds aloof from the social movement, forgetting the unusual miseries of the people in an ignoble sulk over the loss of the Pope's temporal power.

The friends of this movement have now held three international congresses at Liège. The third was held in September, 1890, under the presidency of the bishop of the diocese, and was attended by 1500 delegates, including eight or ten bishops and many Catholic statesmen and peers from all countries. Lord Ashburnham and the Bishops of Salford and Nottingham represented England, and there were representatives from Germany, Poland, Austria, Spain, and France, but

none from Italy. The Pope himself sent a special envoy with an address, and among letters from eminent Catholic leaders who were unable to be present in person was one from Cardinal Manning, which made a little sensation, but was received with decided sympathy, though the Pope afterwards disavowed it to some extent. The Cardinal expressed strong approval of trade unions, and of State intervention to fix the hours of labour to eight hours for miners and ten hours for less arduous trades, and he declared his conviction that no pacific solution of the conflict between capital and labour was possible till the State regulated profits and wages according to some fixed scale which should be subject to revision every three or four years, and by which all free contracts between employers and employed should be adjusted.

The Congress went over the whole gamut of social questions, and exhibited the usual conflict of opinion between the party of liberty and the party of authority; but the party of authority, the "Statolaters" as they are called, had evidently the great majority of the assembly. The party of liberty were chiefly Frenchmen and Belgians, men like Fathers Forbes and Caudron, already mentioned, or M. Woeste, the leader of the Catholic party in Belgium, who said he believed in moral suasion only, and that he feared the State and hated Cæsarism. The party of authority were German and English. But whatever they thought of State intervention, all parties were one about the necessity of Church intervention. Without the Catholic Church there could be no solution of the social question. Cardinal Manning said, a few days before the Congress, that the labour question now raised everywhere must go on till it was solved somehow, and that the only universal influence that could guide it was the presence and prudence of the Catholic Church. The Congress passed recommendations about technical education, better homes for working people, shorter hours, intemperance, strikes, prison labour, international factory legislation. It proposed the institution of trade unions, comprising both employers and employed, as the best means of promoting working-class improvement. In the towns these unions might have distinct sections for the different trades; but in the country this subdivision was not

requisite. Every parish should have its trade union, and the whole should be united in a federation like the Boerenbond, or Peasants' League, lately established in some parts of Belgium, and which the Congress recommended to the attention of Catholics. It recommended also the establishment of a pension fund for aged labourers under State guarantee, but without any compulsory exaction of premiums, and without any special State subsidy; and it received with favour a proposal by the Spanish divine, Professor Rodriguez de Cegrada, of Valencia, for papal arbitration in international labour questions.

This Catholic Socialist movement shows no disposition to coquet with revolutionary socialism; on the contrary, its leaders often say one of their express objects is to counteract that agitation—to produce the counter-revolution, as they sometimes put it. They are under no mistake about the nature or bearing of socialist doctrines. Our Christian Socialists in London accept the doctrines of Marx, and hold the labourer's right to the full product of his labour to be a requirement of Christian ethics, and the orators at English Church Congresses often speak of socialism as if it were a higher perfection of Christianity. But Catholic Socialists understand their Christianity and their socialism better than to make any such identifications, and regard the doctrines and organizations of revolutionary socialism in the spirit of the firm judgment expressed in the Pope's encyclical of 28th December, 1878, which said that "so great is the difference between their (the socialists') wicked dogmas and the pure doctrine of Christ that there can be no greater; for what participation has justice with injustice, or what communion has light with darkness?" This plain, gruff renunciation is on the whole much truer than the amiable patronage of a very distinguished Irish bishop at the Church Congress of 1887, who said socialism was only a product of Christian countries, (what of the socialism of savage tribes, or of the Mahdi, or of the Chinese?) that the sentiment and aspiration of socialism were distinctly Christian, and that every Christian is a bit of a socialist, and every socialist a bit of a Christian. Socialism may proceed from an aspiration after social justice, but a mistaken view of

social justice is, I presume, really injustice; and, as the Pope says, what communion can there practically be between justice and injustice? Idolatry is a mistaken view of Divine things—a distortion of the religious sentiment; but who would on that account call it Christian? The socialist may be at heart a lover of justice; he may love it, if you will, above his fellows; but what matters the presence of the sentiment if the system he would realize it by is ruled essentially by a principle of injustice? Justice, the greatest and rarest of the virtues, is also the most difficult and the most easily perverted. It needs a balance of mind, and in its application to complicated and wide-reaching social arrangements, an exactitude of knowledge and clearness of understanding which are ill replaced by sentimentalism, or even by honest feeling; and the fault of the current talk about Christian Socialism and the identity of socialism with Christianity is that it does not conduce to this clearness of understanding, which is the first requisite for any useful dealing with such questions. If socialism is just, it is Christian—that seems the sum of the matter. But do socializing bishops believe it to be just? Do they believe, as all socialists believe, that it is unjust for one man to be paid five thousand pounds a year, while his neighbours, with far harder and more drudging work, cannot make forty pounds? or do they believe it wrong for a man to live on interest, or rents, or profits? or would they have the law lay its hands on property and manufactures, in order to correct this wrong and give every man the income to which he would be entitled on socialist principles? It is good, no doubt, to have more equality and simplicity and security of living; but these aspirations are neither peculiar to Christianity nor to socialism.

CHAPTER VIII.

ANARCHISM.

THE latest offspring of revolutionary opinion—and the most misshapen—is anarchism. Seven or eight years ago the word was scarcely known; but then, as if on a sudden, rumours of the anarchists and their horrid "propaganda of deed" echoed in, one upon another, from almost every country in the old world and the new. To-day they were haranguing mobs of unemployed in Lyons and Brussels under a black flag—the black flag of hunger, which, they explained, knows no law. To-morrow they were goading the peasants of Lombardy or Naples to attack the country houses of the gentry, and lay the vineyards waste. Presently they were found attempting to assassinate the German Emperor at Niederwald, or laying dynamite against the Federal Palace at Bern; or a troop of them had set off over Europe on a quixotic expedition of miscellaneous revenge on powers that be, and were reported successively as having killed a *gendarme* in Strasburg, a policeman in Vienna, and a head of the constabulary in Frankfort. Before these reports had time to die in our ears, fresh tales would arrive of anarchists pillaging the bakers' shops in Paris, or exulting over the murder of a mining manager at Decazeville, or flinging bombs among the police of Chicago; and it seemed as if a new party of disorder had broke loose upon the world, busier and more barbarous than any that went before it.

It is no new party, however; it is merely the extremer element in the modern socialist movement. Mr. Hyndman and other socialists would fain disclaim the anarchists altogether, and are fond of declaring that they are the very opposite of socialists—that they are individualists of the boldest stamp. But this contention will not stand. There are individualist anarchists, no doubt. The anarchists of

Boston, in America, are individualists; one of the two groups of English anarchists in London is individualist; but these individualist anarchists are very few in number anywhere, and the mass of the party whose deeds made a stir on both sides of the Atlantic is undoubtedly more socialist than the socialists themselves. I have said in a previous chapter that the socialism of the present day may be correctly described in three words as Revolutionary Socialist Democracy, and in every one of these three characteristics the anarchists go beyond other socialists, instead of falling short of them. They are really more socialist, more democratic, and more revolutionary than the rest of their comrades. They are more socialist, because they are disposed to want not only common property and common production, but common enjoyment of products as well. They are more democratic, because they will have no government of any kind over the people except the people themselves—no king or committee, no representative institutions, either imperial or local, but merely every little industrial group of people managing its public affairs as it will manage its industrial work. And they are more revolutionary, for they have no faith, even temporarily, in constitutional procedure, and think making a little trouble is always the best way of bringing on a big revolution. Other socialists prepare the way for revolution by a propaganda of word; but the anarchists believe they can hasten the day best by the propaganda of deed. Like the violent sections of all other parties, they injure and discredit the party they belong to, and they often attack the more moderate section with greater bitterness than their common enemy; but they certainly belong to socialism, both in origin and in principle. There were anarchists among the Young Hegelian socialists of Germany fifty years ago. The Anti-socialist Laws bred a swarm of anarchists among the German socialists in 1880, who left under Most and Hasselmann, and carried to America the seed which led to the outrages of Chicago. The Russian nihilists were anarchists from the beginning; they broke up the International with their anarchism twenty years ago, and they are among the chief disseminators of anarchism in England and France to-day, because to the Russians anarchism is only the socialism

and the democracy of the rural communes in which they were born. Socialists themselves are often obliged to admit the embarrassing affinity. Dr. and Mrs. Aveling complain, in their "Labour Movement in America," that while "the Chicago capitalist wanted us to be hanged after we had landed, Herr Most's paper, *Die Freiheit*, was for shooting us at sight"; that "anarchism ruined the International movement, threw back the Spanish, Italian, and French movements for many years, has proved a hindrance in America, and so much or so little of it as exists in England is found by the revolutionary socialist party a decided nuisance"; but they admit that "well nigh every word spoken by the chief defendants at the Chicago trial could be endorsed by socialists, for they then preached not anarchism, but socialism. Indeed," they add, "he that will compare the fine speech by Parsons in 1886 with that of Liebknecht at the high treason trial at Leipzig will find the two practically identical."

So far, then, as their socialism goes, there is admittedly no real difference between Parsons, the Chicago anarchist, and Liebknecht, the leader of the German socialists. Indeed, as I have said, the anarchists seem to show a tendency even to outbid the socialists in their socialism. Socialists generally say that, while committing all production to the public authority, they have no idea of interfering with liberty of consumption. Their opponents argue in reply, that they would find an interference with consumption to be an inevitable result of their systematic regulation of production; but they themselves always repudiate that conclusion. They would make all the instruments of production common property, but leave all the materials of enjoyment individual property still. Ground rents, for example, would belong to the public; but every man would own his own house and furniture, at least for life, if he had built it by his own labour, or bought it from his own savings, because a dwelling house is not an instrument of production, but an article of enjoyment or consumption. But some of the more representative spokesmen of the anarchists would not leave this last remnant of private property standing, and strongly contend for the old primitive plan, still in use among savage tribes, of giving those who are in want of anything a

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claim—a right—to share the enjoyment of it with those who happen to have it. They would municipalize the houses as well as the ground rents, and no one should be allowed a right to a spare bed or a disengaged sofa so long as one of the least of his brethren huddled on straw in a garret in the slums, or slept out on a bench in Trafalgar Square. In a recent number of *Freedom*, for example, Prince Krapotkin announces that "the first task of the Revolution will be to arrange things so as to share the accommodation of available houses according to the needs of the inhabitants of the city, to clear out the slums and fully occupy the villas and mansions." Anarchist opinions are no doubt capricious and variable. There are as many anarchisms as there are anarchists, it has been said. But this tendency to go further than other socialists, in superseding individual by common property, has repeatedly appeared in some of their most representative utterances.

The Jurassian Federation of the International adopted a resolution at their Congress in 1880, in which they say: "We desire collectivism, with all its logical consequences, not only in the sense of the collective appropriation of instruments of production, but also of the collective enjoyment and consumption of products. Anarchist communism will in this way be the necessary and inevitable consequence of the social revolution, and the expression of the new civilization which that revolution will inaugurate."

Their principal difference with the other branch of the socialists, however,—and that from which they derive their name—is upon the government of the socialistic society. Anarchy as a principle of political philosophy was first advocated by Proudhon, and he meant by it, not of course a state of chaos or disorder, but merely a state without separate political or civil institutions,—"a state of order without a set government." "The expression, anarchic government," he says, "implies a sort of contradiction. The thing seems impossible, and the idea absurd; but there is really nothing at fault here but the language. The idea of anarchy in politics is quite as rational and positive as any other. It consists in this,—that the political function be re-absorbed in the industrial, and in that case social order would ensue spontaneously out of the simple operation of

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transactions and exchanges. Every man might then be justly called autocrat of himself, which is the extreme reverse of monarchical absolutism" ("Die Princip Föderatif," p. 29). He distinguishes anarchy from democracy and from communistic government, though his distinctions are not easy to apprehend exactly. Communism, he says, is the government of all by all; democracy, the government of all by each; and anarchy, the government of each by each. Anarchy is, in his opinion, the only real form of self-government. People would manage their own public affairs together like partners in a business, and no one would be subject to the authority of another. Government is considered a mere detail of industrial management; and the industrial management is considered to be in the hands of all who co-operate in the industry. The specific preference of anarchism, therefore, seems to be for some form of direct government by the people, in place of any form of central, superior, or representative government; and naturally its political communities must be small in size, though they may be left to league together, if they choose, in free and somewhat loose federations. The anarchists are accordingly more democratic in their political theory than the socialists more strictly so called, inasmuch as they would give the people more hand in the work of government, though of course they preposterously underrate the need and difficulty of that work.

On some minor points they contradict one another, and quite as often contradict themselves. Proudhon, for example, would still, even in anarchist society, retain the local policeman and magistrate; but anarchists of a stricter doctrine would either have every man carry his own pistol and provide for his own security, or, as the Boston anarchists prefer, apparently, would have public security supplied like any other commodity by an ordinary mercantile association—in Proudhon's words, "by the simple operation of transactions and exchanges." Emerson said the day was coming when the world would do without the paraphernalia of courts and parliaments, and a man who liked the profession would merely put a sign over his door, "John Smith, King." This is too much division of function however for anarchists generally, and they would have every

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industrial group do its government as it did its business by general co-operation. Just as in Russia every rural commune has its own trade, and the inhabitants of one are all shoemakers, while the inhabitants of another are all tailors, so in anarchist society, according to the more advanced doctrine, every separate group would have its own separate industry, because, in fact, the separate industry makes it a separate group. And it would be managed by all its members together, not by anything in the nature of a board, for it is important to recollect that anarchists of the purest water entertain as much objection to the domination of a vestry or a town council as to that of a king or a cabinet. Some who side with them, especially old supporters of the French Revolutionary Commune, have still a certain belief in a municipal council; but the Russian anarchists, at any rate, look upon this as a piece of faithless accommodation. Prince Krapotkin, I have already mentioned, thinks the first business of the contemplated revolution must be to redistribute the dwelling houses, so as to thin the slums and quarter their surplus population in the incompletely occupied villas or mansions of the West End. That is a very large task, which it will seem, to an ordinary mind, obviously impossible for the vast population of a great city like London to execute in their own proper persons at an enormous town meeting; yet, if I understand Prince Krapotkin, it is this preposterous proposal he is actually offering as a serious contribution to a more perfect system of government. "For," says he, "sixty elected persons sitting round a table and calling themselves a Municipal Council cannot arrange the matter on paper. It must be arranged by the people themselves, freely uniting to settle the question for each block of houses, each street, and proceeding by agreement from the single to the compound, from the parts to the whole; all having their voice in the arrangements, and putting in their claims with those of their fellow-citizens; just as the Russian peasants settle the periodical repartition of the communal lands." And how do the Russian peasants settle the periodical repartition of the communal lands? Stepniak gives us a very interesting description of a meeting of a Russian *mir* in his "Russia Under the Tsars" (vol. i. p. 2).

"The meetings of the village communes, like those of the

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Landesgemeinde of the primitive Swiss cantons, are held under the vault of heaven, before the Starosta's house, before a tavern, or at any other convenient place. The thing that most strikes a person who is present for the first time at one of these meetings is the utter confusion which seems to characterize its proceedings. Chairman there is none. The debates are scenes of the wildest disorder. After the convener has explained his reasons for calling the meeting, everybody rushes in to express his opinion, and for a while the debate resembles a free fight of pugilists. The right of speaking belongs to him who can command attention. If an orator pleases his audience, interrupters are promptly silenced; but if he says nothing worth hearing, nobody heeds him, and he is shut up. When the question is somewhat of a burning one, and the meeting begins to grow warm, all speak at once, and none listen. On these occasions the assembly breaks up into groups, each of which discusses the subject on its own account. Everybody shouts his arguments at the top of his voice. Charges and objurgations, words of contumely and derision, are heard on every hand, and a wild uproar goes on from which it does not seem possible that any good can result.

"But this apparent confusion is of no moment. It is a necessary means to a certain end. In our village assemblies voting is unknown. Controversies are never decided by a majority of voices; every question must be settled unanimously. Hence the general debate, as well as private discussions, must be continued until a proposal is brought forward which conciliates all interests, and wins the suffrage of the entire *mir*. It is, moreover, evident that to reach this consummation the debates must be thorough and the subject well threshed out; and in order to overcome isolated opposition, it is essential for the advocates of conflicting views to be brought face to face, and compelled to fight out their differences in single combat."

But beneath all this tough and apparently acrimonious strife a singular spirit of forbearance reigns. The majority will not force on a premature decision. Debate may rage fast and furious day after day, but at last the din dies. A common understanding is somehow attained, and the *mir* pronounces its deliverance, which is accepted, in the rude belief of the

peasants, as the decree of God Himself. In this way tens of thousands of Russian villages have been, no doubt, managing their own petty business with reasonable amity and success for centuries, and the political philosophy of Russian writers like Bakunin and Prince Krapotkin, who have propagated anarchism in the west of Europe, is merely the naïve suggestion that the form of government which answers not intolerably for the few trivial concerns of a primitive Russian village would answer best for the whole complex business of a great developed modern society.

The anarchists carry their dislike to authority into other fields besides the political and industrial. They will have no invisible master or ruler any more than visible. They renounce both God and the devil, and generally with an energy beyond all other revolutionists. Some of the older socialists were believers; St. Simon, Fourier, Leroux and Louis Blanc were all theists; but it is rare to find one among the socialists of the present generation, and with the anarchists an aggressive atheism seems an essential part of their way of thinking. They will own no superior power or authority of any kind—employer, ruler, deity, or law. The Anarchist Congress of Geneva in 1882 issued a manifesto, which began thus:—

"Our enemy, it is our master. Anarchists—that is to say, men without chiefs—we fight against all who are invested or wish to invest themselves with any kind of power whatsoever. Our enemy is the landlord who owns the soil and makes the peasant drudge for his profit. Our enemy is the employer who owns the workshop, and has filled it with wage-serfs. Our enemy is the State, monarchical, oligarchic, democratic, working class, with its functionaries and its services of officers, magistrates, and police. Our enemy is every abstract authority, whether called Devil or Good God, in the name of which priests have so long governed good souls. Our enemy is the law, always made for the oppression of the weak by the strong, and for the justification and consecration of crime."

Among other restraints, they entertain often a speculative opposition to the restraint of the legal family, and sometimes advocate a return to aboriginal promiscuity and relationship by mothers; but this is only an occasional element in their agita-

tion. It is plain, however, that when law is believed to be oppression, crime and lawlessness come to be humanity.

I have now shown that the anarchists, so far from representing an opposite movement to revolutionary social democracy, are really ultra-socialist and ultra-democratic, and it seems hardly necessary to show that they are ultra-revolutionary. All social democrats contemplate an eventual revolution, but some see no objection meanwhile to take part in current politics; while others, a more witnessing generation, practise an ostentatious abstention, and call themselves political abstentionists. Some, again, think and desire that the revolution will come by peaceful and lawful means; others trust to violence alone. The anarchists outrun all. They refuse to have anything to do with any politics but revolution, and with any revolution but a violent one, and they think the one means of producing revolution now or at any future time is simply to keep exciting disorder and class hatred, assassinating State officers, setting fire to buildings, and paralyzing the *bourgeoisie* with fear. All anarchists are not of this sanguinary mind, and it is interesting to remember that Proudhon himself wrote Karl Marx in 1846, warning him against "making a St. Bartholomew of the proprietors," and opposed resort to revolutionary action of any kind as a means of promoting social reform. "Perhaps," he says, "we think no reform is possible without a *coup de main*, without what used to be called a revolution, and which is only a shake. I understand that decision and excuse it, for I held it for a long time myself, but I confess my latest studies have completely taken it away from me. I believe we have no need of any such thing in order to succeed, and that consequently we ought not to postulate revolutionary action as a means of social reform, because that pretended means is nothing more nor less than an appeal to force, to arbitrary power, and is therefore a contradiction. I state the problem thus: to restore to society, by an economic combination, the wealth which has been taken from society by another economic combination." ("Proudhon's Correspondence," ii. 198.)

But whatever individual anarchists may hold or renounce, the general view of the party is as I have stated. A meeting

of 600 anarchists—chiefly Germans and Austrians, but including also some Russians, Spaniards, and Frenchmen—was held at Paris on the 20th April, 1884, and passed a resolution urgently recommending the extirpation of princes, capitalists, and parsons, by means of "the propaganda of deed."* The Congress held at London in 1881, which sought to re-establish the International on purely anarchist lines, adopted a declaration of principles, containing, among other things, the following: "It is matter of strict necessity to make all possible efforts to propagate by deeds the revolutionary idea and the spirit of revolt among that great section of the mass of the people which as yet takes no part in the movement, and entertains illusions about the morality and efficacy of legal means. In quitting the legal ground on which we have generally remained hitherto, in order to carry our action into the domain of illegality which is the only way leading to revolution, it is necessary to have recourse to means which are in conformity with that end. . . . The Congress recommends organizations and individuals constituting part of the International Working Men's Association to give great weight to the study of the technical and chemical sciences as a means of defence and attack."† In the first French revolution Lavoisier and other seven and twenty chemists were put to the guillotine together, on the express pretence, "We have no need of *savants*"; but now "Technology" is a standing heading in the anarchist journals; a revolutionary organization has its chemical department as well as its press department; and anarchist tracts often end with the standing exhortation, "Learn the use of dynamite," as socialist tracts end with the old admonition of 1848, "Proletarians of all nations, unite."

The object of this policy of violence is partly, as we see from the above quotations, to inflame the spirit of revolt and disorder in the working classes; and it is partly to terrorize the *bourgeoisie*, so that they may yield in pure panic all they

* Much interesting information on this subject is given from official sources in a recent anonymous work, "Socialismus und Anarchismus in Europa und Nordamerika während der Jahre 1883 bis 1886."

† Garin, "L'Anarchie et les Anarchistes," p. 48.

possess. But for its expressly violent policy, anarchism would be the least formidable or offensive manifestation of contemporary socialism. For, in the first place, its specific doctrine is one which it is really difficult to get the most ordinary common sense puzzled into accepting. Men in their better mind may be ready enough to listen to specious, or even not very specious, schemes of reform that hold out a promise of extirpating misery, and in their worse mind they may be quite as prone to think that if everybody had his own, there would be fewer rich; but they are not likely to believe we can get on without law or government of any sort. Even the vainest will feel that however superfluous these institutions may be for themselves, they are still unhappily indispensable for some of their neighbours. Then in the next place this doctrine of the anarchists is as great a stumbling-block to themselves as it is to other people, for they carry their objection to government into their own movement, and can consequently never acquire that concentration and unity of organization which is necessary for any effectual conspiracy. They are always found constituted in very small groups very loosely held together, and small as the several groups may be, they are always much more likely to subdivide than to consolidate. Even the few anarchist refugees in London who might be expected to be knit into indissoluble friendship by their common adversity have broken into separate clubs, and the "Autonomic" and the "Morgenrothe"—though they have hardly more than a hundred members between them, and all belong to the same socialist variety of anarchist doctrine—remain as the Jews and the Samaritans. It is said to be a subject of speculative discussion among anarchists whether two members are sufficient to constitute an anarchist club. This laxity of organization is a natural result of the dislike to authority which the anarchists cultivate as a cardinal principle. Subjection to an executive committee is as offensive to their feelings and as contrary to their principles as subjection to a monarch. The dread of subjection keeps them disunited and weak. As Machiavelli says, the many ruin a revolutionary society, and the few are not enough. A small group may concoct an isolated crime, but it can do little towards the social revolution.

The anarchist policy—the propaganda of deed—consists, however, exactly in this concoction of isolated crimes and outrages. Some of the continental powers are conferring at this moment on the propriety of taking international efforts against the anarchists, and the question may at least be reasonably raised before our own Government, whether a policy of promiscuous outrage like this should continue to be included among political offences, securing protection against extradition, and whether the propaganda of deed and the use of dynamite should not rather be declared outside the limits of fair and legitimate revolution, as, by the Geneva Convention, explosive bullets are put outside the limits of fair or legitimate war.

CHAPTER IX.

RUSSIAN NIHILISM.

HAXTHAUSEN pronounced a confident opinion in 1847, when most of the continental nations were agitated with rumours of revolution, that Russia at any rate was safe from the danger, inasmuch as she enjoyed an absolute protection against all such revolutionary agitation in her communistic rural institutions. There was no proletariat in Russia, every man in the country being born to a share in the land of the township he belonged to; and without a proletariat, concluded the learned professor, there was neither motive nor material for social revolt. This belief became generally accepted, and passed, indeed, for years as a political commonplace; but perhaps never has a political prognostication so entirely reasonable proved on experience so utterly fallacious. Instead of sparing or avoiding Russia, revolutionary agitation has grown positively endemic in that country; it is more virulent in its type, and apparently more deepseated than elsewhere; and, stranger still, not the least of its exciting causes has been that very communistic agrarian system which was thought to be the surest preservation against it.

In its earlier period, before the emancipation of the serfs, the Russian revolutionary movement was largely inspired by an extravagant idealization of the perfections of the rural commune, and now since the emancipation it is fed far more formidably by an actual experience of the commune's defects. The truth is that the communistic land system of Russia, so far from preventing the birth of a proletariat, is now of itself begetting the most numerous and the most helpless proletariat in the world. The emancipation dues would have been a serious burden under any social arrangements, but they have proved so much heavier under the communistic system of

Russia than they would have been elsewhere that the system itself is beginning to give way. With an unlimited stock of good land, all is plain sailing under any social institutions; but when land is limited in extent and every new-comer has the right to cut in and get an equal share with those already in possession, excessive subdivision is inevitable, and the point is soon reached where any fresh impost or outgoing destroys the profitableness of cultivation, and converts the right to the land from an asset into a liability. This is what is now happening in Russia. It appears there are already more paupers in St. Petersburg proportionally to population than in any other European capital, and as many as a third of the inhabitants of the provinces are either entirely landless, or, more unhappy still, find their land, instead of a benefit, to be only a grievous burden of which they cannot shake themselves clear. I shall have occasion later on to recur to this new economic development in rural Russia, which is very interesting to the student of socialism on its own account, but which will concern us in the present chapter more particularly in its bearing on the operations and prospects of the revolutionary party in that country.

The revolutionary or nihilist movement in Russia has passed through several successive phases; but there is no good reason for denying its continuity, nor any impropriety, as is sometimes alleged, in the retention of the name of Nihilism, which it bore when it first engaged the attention of Western Europe, although it may be quite true that the word is more descriptive of the earlier developments of the movement than of the later. In its first stage, before the Emancipation Act, it was scarce more than an intellectual fermentation—an intellectual revolt all round, if you will—shaping more and more in its political ideas towards democratic socialism, but as yet entirely unorganized, and content to expend its force in violent opinions without recourse to action. Then, second, the Emancipation Act gave it organization, purpose, malignity, and made it, in short, the nihilism we know, converting it into the engine of the bitter discontent of the landed classes, who were seriously straitened and many of them ruined by the operation of that great reform. Third, while the impoverishment of thousands

of landed families was the first result of the Emancipation Act, its slower but more serious result has been the impoverishment of the peasantry, and nihilism is now assuming a more agrarian character, and promoting the social revolution under the old Russian cry for "the black division."

For the origin of nihilism we must go back half a century to a little company of gifted young men, most of whom rose to great distinction, who used at that time to meet together at the house of a rich merchant in Moscow, for the discussion of philosophy and politics and religion. They were of the most various views. Some of them became Liberal leaders, and wanted Russia to follow the constitutional development of the Western nations; others became founders of the new Slavophil party, contending that Russia should be no imitator, but develop her own native institutions in her own way; and there were at least two among them — Alexander Herzen and Michael Bakunin—who were to be prominent exponents of revolutionary socialism. But they all owned at this period one common master—Hegel. Their host was an ardent Hegelian, and his young friends threw themselves into the study of Hegel with the greatest zeal. Herzen himself tells us in his autobiography how assiduously they read everything that came from his pen, how they devoted nights and weeks to clearing up the meaning of single passages in his writings, and how greedily they devoured every new pamphlet that issued from the German press on any part of his system. From Hegel, Herzen and Bakunin were led, exactly like Marx and the German Young Hegelians, to Feuerbach, and from Feuerbach to socialism. Bakunin, when he retired from the army, rather than be the instrument of oppressing the Poles among whom he was stationed, went for some years to Germany, where he lived among the Young Hegelians and wrote for their organ, the *Hallische Jahrbücher;* but before either he or Herzen ever had any personal intercommunication with the members of that school of thought, they had passed through precisely the same development. Herzen speaks of socialism almost in the very phrases of the Young Hegelians, as being the new "terrestrial religion," in which there was to be neither God nor heaven; as a new system of society which would dispense

with an authoritative government, human or Divine, and which should be at once the completion of Christianity and the realization of the Revolution. "Christianity," he said, "made the slave a son of man; the Revolution has emancipated him into a citizen. Socialism would make him a *man*."

This tendency of thought was strongly supported in the Russian mind by Haxthausen's discovery and laudation of the rural commune of Russia. The Russian State was the most arbitrary, oppressive, and corrupt in Europe, and the Russian Church was the most ignorant and superstitious; but here at last was a Russian institution which was regarded with envy even by wise men of the west, and was really a practical anticipation of that very social system which was the last work of European philosophy. It was with no small pride, therefore, that Alexander Herzen declared that the Muscovite peasant in his dirty sheepskin had solved the social problem of the nineteenth century, and that for Russia, with this great problem already solved, the Revolution was obviously a comparatively simple operation. You had but to remove the Czardom, the services, and the priesthood, and the great mass of the people would still remain organized in fifty thousand complete little self-governing communities living on their common land and ruling their common affairs as they had been doing long before the Czardom came into being. And what, after all, was the latest dream of philosophical socialism but a world of communities like these? The new formula of civilization had merely come back to the old Russian *mir*.

All Russian writers draw a kindly and charming picture of the *mir*, the rude village council, in which the heads of families have for ages managed their common land, distributed their taxes, and settled all the burning problems of the hamlet with remarkable freedom, fairness, and mutual respect. They meet together on some open space—perhaps in front of the tavern, which is itself one of their common possessions; they beat out their question there till they are unanimous; for the *mir* will know nothing of decision by majorities—the will of the *mir* is believed to be the will of God Himself, and it must be no divided counsel. They argue sometimes long and keenly, and, as their interest waxes, they will raise many voices at once, or

perhaps break up into separate groups, each discussing the subject apart; but presently, out of all the apparent disorder, the acceptable decision is somehow found, and peace reigns again in the village street. In these meetings they have the deepest feeling and habit of freedom; and even when a political question arises affecting their interests—a question of taxes or of administration—they make no scruple to speak in the plainest terms of the Government and the officials, and they are never interfered with. "Nobody but God," they say, "dare judge the *mir*," and the Czar, at any rate, respects the tradition. That rude assembly is the only free institution in Russia. Even revolutionary manifestoes have been publicly read at its meetings, and socialist addresses publicly delivered. And this instinctive spirit of freedom is attended there with the instinctive spirit of equality. A recent Russian writer observes that a Russian peasant would be quite unable to understand the sort of respect the English labourer shows to a gentleman. With its freedom, its equality, its strong family sentiment, its common property, its self-government, the *mir* is really the social democratic republic political philosophers have projected, and a Russian who dislikes the State and loves the *mir* is, without more ado, a social revolutionist of the anarchist type. The favourite ideal among Russian revolutionists for the last fifty years has accordingly all along been the anarchist ideal of a free federation of local industrial communities without any separate political organization; for the anarchist ideal is natural to the Russian situation.

Revolutionary opinions were very rife in Russia during the reign of Nicholas; but under his iron rule they were never suffered to be spoken above the breath. His ascension to the throne in 1825 had been greeted by a revolution—a very abortive one, it is true, but unfortunately sufficient to set every fibre of the young Czar's strong nature inflexibly against all the liberal tendencies encouraged by his father, and to stop the political development of the country for a generation. A handful of constitutional reformers—united three years before in a secret society to promote peasant emancipation, the common civil liberties, and stable instead of arbitrary law—gathered a crowd to a public place in the capital, and shouted for "the

Archduke Constantine and a Constitution." Most part of the crowd had so little idea why they had come together that they thought Constitution was the name of the Archduke Constantine's wife; and the most distinguished man among the conspirators—Pestel, the poet—said, as he was going to execution, "I wished to reap the harvest before sowing the seed." He had done worse—he really kept the seed from being sown for thirty years to come. All freedom of opinion was ruthlessly suppressed; every means of influencing the public mind was stopped; there was no liberty of printing, speaking, or meeting; there was no saving grace but ignorance, for people of reading and intelligence lived under perpetual liability to most unreasonable suspicion. Alexander Herzen, for example, was banished to the Asiatic frontier while still a very young man, merely because he happened to make the casual remark in a private letter to his father, which was opened in the post, that a policeman had a few days before killed a man in the streets of St. Petersburg.

But this system of lawless and unrighteous repression nursed a deep spirit of revolt against constituted authority in the heart of the people, and among the younger minds a kind of passion for the most extreme and forbidden doctrines. All the wildest phases of nihilist opinion in the sixties were already raging in Russia in the forties. Haxthausen says he was astounded, when he visited the Russian universities and schools, to find the students at every one of them given over, as he says, to political and religious notions of the most all-destructive description. "It is a miasma," he says. And although the only political outbreak of Nicholas's reign, the Petracheffsky conspiracy of 1849, was little more than a petty street riot, a storm of serious revolt against the tyranny of the Czar was long gathering, which would have burst upon his head after the disasters to his army in the Crimea, had he survived them. He saw it thickening, however, and on his death-bed said to his son, the noble and unfortunate Alexander II., "I fear you will find the burden too heavy." The son found it eventually heavy enough, but in the meantime he wisely bent before the storm, relaxed the restraints the father had imposed, and gave pledges of the most liberal

reforms in every department of State—judicial administration, local government, popular education, serf emancipation. People believed completely in the young Czar's sincerity, awaited with great expectations the measures he would propose, and meanwhile indulged to the top of their bent in the practical liberties they were already provisionally allowed to enjoy, and gave themselves up to a restless fervour for liberty and reform.

An independent press was not among the liberties conceded, but Russian opinion at this period found a most effective voice in a newspaper started in London by Alexander Herzen, called the *Kolokol* (Bell), which for a number of years made a great impression in Russia by the accuracy of its information on Russian affairs, by the boldness of its criticisms of the Government, and by the ease with which it got smuggled into universal circulation. When Herzen was sent to the Urals as a dangerous person, he was appointed, very anomalously—perhaps it was to keep him there—to an administrative and judicial post, in which he would have apparently to sentence others while under sentence himself; but he grew weary of his banishment, and was permitted to exchange it for the more complete, but much more agreeable, banishment from Russia altogether. After visiting Germany and France, and after witnessing, with deep interest and deeper disappointment, some of the revolutions of 1848, and writing that they had failed because their promoters were not prepared to follow them up with a positive social programme, as if, he says, the mere destruction of a Bastile were a revolution, he settled in England, and learnt there, as his son assures us, that revolution itself was but a vain expedient, and that gradual reform was the only effectual method of lasting social amelioration.

It was probably while he was learning this lesson—it was certainly entirely in this spirit—that he began his political agitation on the accession of Alexander II. The moment the new Czar ascended the throne, Herzen addressed to him a famous letter, demanding amends for the ills his father, Czar Nicholas, had done the people, a complete breach with the old system, and the introduction of thoroughgoing Liberal reforms, and more especially the emancipation of the serfs. It was in the same spirit he conducted his agitation in the *Kolokol*. Without

neglecting to ventilate his socialist and philosophical views, he welcomed the contemplated reforms as being in themselves true remedies for popular grievances, and intended in perfect good faith by the Czar to be so; and his chief care in all his criticisms always was to secure that these reforms should be real and thorough, that the judicial body should be independent, the educational arrangements efficient; above all, that the peasants should not be deprived, in the emancipation arrangements, of a foot of the land they then possessed, or made to pay terms for their emancipation which would be too heavy for them to meet. And perhaps the most popular and stirring part of his paper was always his exposure of existing abuses, and his criticism of the conduct of officials. The journal was written with wit, vigour, and accurate knowledge; and, as it spoke what most men thought, but few would as yet venture to say, it was greedily read and distributed, and was for some years a remarkable power in the country. Herzen was the hero of the young. Herzenism, we are told, became the rage, and Herzenism appears to have meant, before all, a free handling of everything in Church or State which was previously thought too sacred to be touched. This iconoclastic spirit grew more and more characteristic of Russian society at this period, and presently, under its influence, Herzenism fell into the shade, and nihilism occupied the scene.

We possess various accounts of the meaning and nature of nihilism, and they all agree substantially in their description of it. The word was first employed by Turgenieff in his novel "Fathers and Sons," where Arcadi Petrovitch surprises his father and uncle by describing his friend Bazaroff as a nihilist.

"A nihilist," said Nicholas Petrovitch. "This word must come from the Latin *nihil*, nothing, as far as I can judge, and consequently it signifies a man who recognises nothing."

"Or rather who respects nothing," said Paul Petrovitch.

"A man who looks at everything from a critical point of view," said Arcadi.

"Does not that come to the same thing?" asked his uncle.

"No, not at all. A nihilist is a man who bows before no authority, who accepts no principle without examination, no matter what credit the principle has." . . . . .

"Yes, before we had Hegelians; now we have nihilists. We shall see what you will do to exist in nothingness, in a vacuum, as if under an air pump."

Koscheleff, writing in 1874, gives a similar explanation of nihilism. "Our disease is a disease of character, and the most dangerous possible. We suffer from a fatal unbelief in everything. We have ceased to believe in this or in that, not because we have studied the subject thoroughly and become convinced of the untenability of our views, but only because some author or another in Germany or England holds this or that doctrine to be unfounded. Our nihilism is a thing of a quite peculiar character. It is not, as in the West, the result of long falsely directed philosophical studies and ways of thinking, nor is it the fruit of an imperfect social organization. It is an entirely different thing from that. The wind has blown it to us, and the wind will blow it from us again. Our nihilists are simply Radicals. Their loud speeches, their fault-finding, their strong assertions, are grounded on nothing. They borrow negative views from foreign authors, and repeat them and magnify them *ad nauseam*, and treat persons of another way of thinking as absurd and antiquated people who continue to cherish exploded ideas and customs. The chief cause of the spread of this (I will not say doctrine, for I cannot honour it with such a name, but) sect is this, that it imparts its communications in secret conversations, so that, for one thing, it cannot be publicly criticised and refuted, and, for another, it charms by the fascination of the forbidden."

The same view precisely is given by Baron Fircks ("Schedo Ferroti") in his very elaborate and thoughtful account of nihilism in his *L'Avenir de la Russie*. It was merely, he said, the critical spirit—the spirit of intellectual revolt—carried to an extreme and running amuck against all accepted principles in religion, in politics, in domestic and social life. It was a common infirmity of contemporary society, and was in no way peculiar to Russia; but while that may be true, it has undoubtedly—as perhaps the Baron would admit—been carried into more extravagant manifestations in Russia than elsewhere.

Nor are the reasons of this extravagance far to seek. First,

the Russians are, in national character, singularly impressionable, volatile, and predisposed to run to extremes. Diderot says they were rotten before they were ripe. Second, they are mere children in political experience, and even in intellectual training. Their education is in general shallow, and they are liable to the vagaries of the half educated. Third, both Baron Fircks and Koscheleff think nihilism was largely due to the arbitrary government of the country. The Czar and the bureaucracy have themselves had much to do with destroying respect for law and authority by their capricious habits of administration. Laws were proclaimed to-day and repealed to-morrow, or even broken by the very officials engaged in administering them. Even in the days of Nicholas, Herzen complained bitterly of this constant inconstancy of the law; he said the Russian Government was "infatuated with innovation," that "nothing was allowed to remain as it was," that "everything was always being changed," that "a new ministry invariably began its work by upsetting that of its predecessors." Russia being a Functionary State, not a Law State, to employ a useful German distinction, the decrees of officials take the place elsewhere filled by fixed laws established by legislative authority; and where these decrees are continually changing, reverence for the law is impossible.

But in all this there was no practical political disaffection before the Emancipation Act. The nihilists had as yet a vague belief in the Czar and the coming reforms; they felt that the Russian people were at last to have a chance of showing the rich genius that lay in them, and their whole anxiety was to have the people adequately trained for this great destiny. It was the common talk that the future belonged to Russia; and that she was already beginning to outshine all other nations in literature, in art, in science, in music. "Some young people among us," says Turgenieff, "have discovered even a Russian arithmetic. Two and two do make four with us as well as elsewhere, but more pompously, it would seem. All this is nothing but the stammering of men who are just awaking."

Under these influences the energies of the nihilists took a different outlet than plotting. Instead of founding secret

societies, they founded Sunday schools. For to their mind the first need of the time, above even political liberty, was popular education. As to liberty, the measure they practically enjoyed at the gracious pleasure of the Czar for the present contented them, inasmuch as it seemed an earnest of the better securities that were expected to follow; but they could not with any satisfaction look round them and see the Russian people, for whom they were prophesying such a great career, still lying in almost aboriginal ignorance. The stuff was indeed there which should yet astonish the world, but it must first be made. To "make the people," as they phrased it, was the task the nihilists now undertook, and they threw themselves into it with the zeal of apostles. They put on shabby clothes to avoid any offensive superiority to their poorer neighbours, and they wore green spectacles to correct the even more intolerable inequality of personal beauty, for, as they were fond of saying, they had put off the old man and were now new men created again by Buchner and Feuerbach in the gospel of humanity; but with all their extravagances they carried on for some years a most active and no doubt useful work in the Sunday schools and reading circles which they rapidly established everywhere.

Although this movement fell eventually under the suspicion of the Government, as in despotic countries any movement will, it seems to have had no political, or what the authorities call "ill-intentioned" purpose. It was pervaded with patriotic and humanitarian feeling, and though no doubt many of the nihilists who took part in it held as extreme opinions in politics as they did in everything else, yet these opinions were mere matters of speculation. It is certain that democratic and revolutionary socialism was a very popular doctrine among the nihilists, even at that earliest period of their history, for their most representative man during that period was Tchernycheffsky, the editor of the *Contemporary* magazine, and a political economist of some note in his day; and Tchernycheffsky was undoubtedly a democratic and revolutionary socialist. He belonged to a younger generation than Herzen and Bakunin, but, like them, he had been led to socialism through Hegel and Feuerbach, and he expounded his ideas in a famous romance entitled, "What is to

be done?" which the Government allowed him to write, and even to publish, while in prison for sedition in 1862, though they suppressed the book sternly when they saw it beginning to make a sensation.

But although revolutionary and socialistic principles may have been very considerably entertained by the nihilists from the first, there was no practical revolutionary or socialistic organization before the emancipation of the serfs. Up till then nihilism may be said to have been a benignant growth, if I may use a medical expression, and it was that great historical measure that converted it into the malignant and deadly trouble which we best know. The Russian Radicals, including the socialists, were strongly disappointed with that measure from the outset, because they thought it inflicted serious injustice on the peasantry. It deprived them, they said, of much of the land they had hitherto enjoyed as of right, and which was necessary for their comfortable subsistence, while it imposed on them for what they got excessive dues which their holdings would never be able to bear; and so the first Land and Liberty League was founded in 1863. But it was not the peasants, or the peasants' friends—it was the small landed gentry who were the first to feel the effects of the Emancipation Act, and to raise the standard of revolt. The Act made a serious change in their fortunes. Although the landlords were allowed most liberal terms of compensation for the enforced emancipation of their serfs, few of them actually received a kopeck, because they were almost all of them already deeply indebted to Government, and Government applied the compensation money to cancel their old debts, and gave up the policy of granting any more mortgages in the future. Then a great part of the land which was formerly cultivated by means of the serfs was now found to be too poor to afford the expense of paid labour; the landlords had neither stock nor implements to work it, if it were more fertile, the peasantry having in the old days tilled the field for them with their own horses and ploughs; nor had they any means of raising the stock on credit, and, besides, most of them were complete absentees, engaged as Government or railway officials, or in other professional work and knew nothing whatever about the business of

agriculture. The smaller landlords have therefore been compelled to sell their estates to the larger, or to leave much of their ground entirely uncultivated. In Moscow there were 633 separate estates in 1861, before the emancipation, but only 422 in 1877, and not more than one-fifth of the land that was cultivated in that province in 1861 continued in cultivation in 1877. Many of the sons of the smaller proprietors were at the universities studying for one of the professions, and had either to give up their studies altogether for want of means, or were put on shorter allowances, which was scarcely less annoying, and was indeed a great cause of revolutionary opinions at the universities. Many more of the sons of the gentry were in the army, and the pay of a Russian officer being extremely small, they had been accustomed to receive allowances from home, without which, indeed, they could hardly live; and now in the altered circumstances of the family these allowances were perforce suddenly stopped. Much of the revolutionary discontent that exists in the Russian army to such a serious extent that 200 arrests were made in March, 1885, and Government appointed a special commission of inquiry into the subject, has come from this source, and is practically a revolt against insufficient pay. But what happened at the universities and in the army happened in other departments of Russian life; the Emancipation Act had left on every shore some wreckage of the gentry, an upper-class and educated proletariat, whose distress might be due originally to their own improvidence or ignorance, but was undoubtedly first driven into an acute state by an act of Government, and therefore clamoured for vengeance on the Government that produced it.

The clamour of the victims of the Emancipation Act naturally woke up all the earlier discontents of the country. The Poles and the dissenting sects, with all their ancient wrongs, seem to have contributed but a small contingent to the nihilist ranks; but the Jews, subject to a barbarous and often very acute persecution, have filled the secret societies from the beginning with many of their most determined members, and have supplied a great part of the "Nihilistesses"; and even though the Revolutionary Executive Committee has latterly issued a proclamation against the Jews, mainly on the ground of the extortion

practised by Jewish money-lenders on the peasantry, there are still, as appears very abundantly from the nihilist trials of 1890, many Jews among the revolutionists.

Then there are thirteen millions of native heretics in Russia, sects of various sorts springing up like the early Quakers from the bosom of the people, and filled with a rude spirit of freedom and a tendency towards socialistic ideas in their condemnation of luxury and accumulation, their hatred of war and military government, and their belief in fraternity and mutual assistance. Some writers allege that these sects are an important factor in the revolutionary movement; but though they certainly have suffered many wrongs from Government, they do not seem to have furnished any great quota to the revolutionary ranks. They are the freethinkers of the unlettered classes, however, and their ideas no doubt have some influence in preparing these classes for socialist principles. But there is another class very numerous in Russia, who are the natural allies of revolution—the "illegal men" who, for various reasons, go about on false passports, and are thus living in revolt already. And to all these diverse sources of disaffection must be added the aggravation arising at the moment from the tyrannical and arbitrary measures to which the Government resorted on the first outburst of complaints.

In 1862, perceiving the discontent raised by the Emancipation Act, Government took alarm, and withdrew or curtailed the liberties it had for a few years allowed the people to enjoy. It stopped some newspapers and warned a number more; it prohibited the Sunday schools and reading clubs altogether; it banished many persons on mere suspicion to remote provinces; and for a greater example it cast the eminent writer Tchernycheffsky into prison on a charge of exciting the peasantry to revolt, and after leaving him there without trial for nearly two years, brought him out at length to a public square in St. Petersburg, read out to him a sentence of transportation, broke a sword over his head, and sent him to the Siberian mines for the rest of his life. There he still remains, broken now both in mind and body, but probably doing more harm to the Government by his wrongs than he could ever have done by his pen, for nihilists have for twenty-seven years

been constantly exciting popular sympathy by descriptions of his martyrdom and demands for his release.

It was while this alienation against the Government was thickening that Michael Bakunin escaped from Siberia, and it was by emissaries sent by Bakunin to Russia that the first successful attempt was made to incite and organize all these revolutionary materials into a revolutionary movement. When Bakunin came back in 1862 and joined Herzen in London, the two old friends found their ideas had parted far asunder during their long separation. Herzen had, from his twelve years' observation of affairs, broadened from revolutionist to statesman, and had no patience now for the extravagance of the young Russian patriots who visited him in London. "Our black earth," he would say, "needs a deal of draining." And there is a remarkable letter which he wrote shortly before his death, and apparently to Bakunin himself, in which he says:—

"I will own that one day, surrounded by dead bodies, by houses destroyed with balls and bullets, and listening feverishly as prisoners were being shot down, I called with my whole heart and intelligence upon the savage force of vengeance to destroy the old criminal world, without thinking much of what was to come in its place. Since that time twenty years have gone by; the vengeance has come, but it has come from the other side, and it is the people who have borne it, because they comprehended nothing either then or since. A long and painful interval has given time for passions to calm, for thoughts to deepen; it has given the necessary time for reflection and observation. Neither you nor I have betrayed our convictions; but we see the question now from a different point of view. You rush ahead, as you did before, with a passion of destruction, which you take for a creative passion; you crush every obstacle; you respect history only in the future. As for me, on the contrary, I have no faith in the old revolutionary methods, and I try to comprehend the march of men in the past and in the present, to know how to advance with them without falling behind, but without going on so far before as you, for they would not follow me—they could not follow me!"

Herzen gradually lost hold over the wilder forces in Russia, he was even openly denounced as a reactionary by the revolutionist Dolgourouki; and when he alienated the more moderate parties likewise by his support of the Polish insurrection of 1863, his spell vanished, and during the remaining seven years of his life his influence was of little account.

Bakunin was more in unison with the troubled spirit of the times. While Herzen had been ripening in political wisdom under the ampler intellectual life to which his exile introduced him, Bakunin's twelve years' confinement had maddened him into a fanatic, and instead of curing him of revolutionary propensities, only fixed the idea of revolution in his mind like a mania. When he came to London a huge, haggard man, always excited, always talking, he used to speak of himself as a Prometheus unbound, and he was to live henceforth for the undoing of the powers and systems that were. He was never found without a group of conspirators and refugees of all shades and nationalities about him. With some reminiscences of socialistic philosophy remaining in the background of his mind, his only real interest now was revolution, and he seemed always thenceforth to look on his socialism as a means of revolution rather than on revolution as a means to socialism. His socialism itself had grown less sane—it was no longer the anarchism of the old days: it was what he called "amorphism"—society not merely without governmental institutions, but without institutions of any kind; and he was domineered by the thought of a universal revolution, in which all States and Churches and all institutions religious, political, judicial, financial, academical, and social should perish in a common destruction. "Amorphism" and "Pan-destruction" are not articles of a rational creed, but they were propagated with almost preternatural energy by Bakunin. The work of exciting revolution and disorder of any kind was the main business of his life till he died in 1876. Others might play a waiting game, but for him the work of the revolutionist was revolution; and he ought to be incessantly promoting it, not by word only, but by deed, by an unremitting terrorism, by shooting a policeman when you can't reach a king, and destroying a Bastile if you cannot overturn an empire. In his "Revolu-

tionary Catechism," written in cipher, but read by the public prosecutor at a Russian nihilist trial in 1871, he says (I quote the passage from M. de Laveleye):—

"The revolutionist is a man under a vow. He ought to have no personal interests, no business, no sentiments, no property. He ought to occupy himself entirely with one exclusive interest, with one thought and one passion: the Revolution. . . . He has only one aim, one science: destruction. For that and nothing but that he studied mechanics, physics, chemistry, and medicine. He observes with the same object, the men, the characters, the positions and all the conditions of the social order. He despises and hates existing morality. For him everything is moral that favours the triumph of the Revolution. Everything is immoral and criminal that hinders it. . . . Between him and society there is war to the death, incessant, irreconcilable. He ought to be prepared to die, to bear torture, and to kill with his own hands all who obstruct the revolution. So much the worse for him if he has in this world any ties of parentage, friendship, or love! He is not a true revolutionist if these attachments stay his arm. In the meantime he ought to live in the middle of society, feigning to be what he is not. He ought to penetrate everywhere, among high and low alike; into the merchant's office, into the church, into the Government bureaux, into the army, into the literary world, into the secret police, and even into the Imperial Palace. . . . He must make a list of those who are condemned to death, and expedite their sentence according to the order of their relative iniquities. . . . A new member can only be received into the association by a unanimous vote, and after giving proofs of his merit not in word but in action. Every 'companion' ought to have under his hand several revolutionists of the second or third degree, not entirely initiated. He ought to consider them part of the revolutionary capital placed at his disposal, and he ought to use them economically, and so as to extract the greatest possible profit out of them. . . . The most precious element of all are women, completely initiated, and accepting our entire programme. Without their help we can do nothing."

Bakunin naturally turned his first attention to his own country, and the subsequent development of Russian affairs show sufficiently distinct signs of his ideas and influence.

In 1865 he sent a young medical student named Netchaïeff to Moscow, to work among the students there, and Netchaïeff had, by 1869, established a number of secret societies, which he linked together under the name of the Russian Branch of the International Working Men's Association. This organization was not very numerous—no Russian secret society is—but in 1873 as many as eighty-seven persons were brought to trial for connection with it, and in 1866 one of its members, a working man called Karakasoff, who was suffering from an incurable disease, made the first attempt on the life of the Czar—an event which had most important effects on the course of Russian politics. It rang out the era of reform, and rang in the era of reaction. The popular concessions which the Czar had already given he now began to withdraw. The people had never got, as they expected, an independent judiciary—perhaps in an autocratic country a judiciary independent of the executive is hardly possible—but they had enjoyed some pretence of public trial, and now that pretence was done away, and Karakasoff and his companions were not brought before the court at all, but tried and condemned by an extraordinary commission, with a military officer of approved ferocity at its head. Administrative trial and administrative condemnation became again the regular rule in Russia; and though these things were borne in the days of Nicholas as almost matters of course, they were now deeply resented as fresh invasions of right and direct breaches of imperial promises. Then the bodies to which a certain amount of the local government of the country, the management of roads, schools, poor, health, etc., had been entrusted, were obstructed in the exercise of their powers, or gradually deprived of their powers altogether, and forced into complete dependence on the imperial executive. The students at the universities began to be interfered with in their sick and benefit societies and their reading circles; their studies in the class-rooms were restricted to what was thought a safe routine; and even their private lives and motions were watched with an exasperating espionage. People felt the hand

of the despot pressing back upon them everywhere, and they felt it with a most natural and righteous recoil. This reactionary policy, which has continued ever since—this return to the hated old methods of arbitrary and repressive rule—produced, as was inevitable, deep and general discontent at the very moment when the great historical measure of serf emancipation was desolating the families of the landed gentry, province after province; and when the execution of the Emancipation Act was completed in 1870, Russian society was already quivering with dangerous elements of revolt.

From that time evidences of an active revolutionary propaganda multiplied rapidly every year. In 1871 and 1872 the writings of the German socialists were translated and ran into great favour. Even of Marx's far from popular work, "Capital," a large edition was eagerly bought up, and ladies of position baptized their children in the name of Lassalle. Secret societies were discovered both north and south. From 1873 to 1877 nihilist arrests, nihilist prosecutions, nihilist conflicts with the police, were the order of the day, till at length, in 1878, the young girl, Vera Sassulitch, fired the shot at the head of the Russian police which began that long vendetta between the revolutionists and the executive, in which so many officials perished, and eventually, in 1881, after many unsuccessful attempts, the Czar himself was so cruelly assassinated.

The ardent youth of Russia, who, in 1861, were still giving themselves to the work of Sunday schools and reading circles, were, in 1871, throwing their careers away to go out, like the first apostles, without scrip or two coats, and propagate among the rude people of the provinces the doctrines of modern revolutionary socialism, and by 1881 had become absorbed in sheer terrorism, in avenging the official murder of comrades without trial by the revolutionary murder of officials, in contriving infernal plots and explosions, and trying vainly to cast out devils by the prince of devils.

Stepniak attributes the impetus which the socialist agitation received in 1871 to the impression produced in Russia by the Paris Commune; but it would perhaps be more correct simply to ascribe it to the exertions of two active Russian revolutionists, who were themselves associated with the Com-

munard movement, and who happened to enjoy at this period unusual facilities of communication with the younger mind of Russia. One was Bakunin, who had himself organized an insurrection at Lyons on the principles of the Commune six months before the outbreak at Paris in March, 1871; and the other was Peter Lavroff, the present Nestor of Russian nihilism, who actually took part in the Paris Commune itself. Lavroff, who had been a colonel in the Russian army, and professor in the military college of St. Petersburg, was compromised in the attempt of Karakasoff in 1866 and administratively banished to Archangel; but, as happens so singularly often in Russia, he escaped in 1869, and lived to edit a revolutionary journal in Zurich, and play for a time no inconsiderable part in making trouble in Russia. At present, communications between the active revolutionists who are at work in Russia and their predecessors who have withdrawn to Western Europe are entirely interrupted; but they were still abundant twenty years ago. Partly in consequence of the reactionary educational policy of the Government, young Russians flocked at that time to Switzerland for their education, and were there conveniently indoctrinated into the new gospel of the International. Bakunin and Lavroff were both in Zurich, and in the year 1872 there were 239 Russian students, male and female, in Zurich alone. These young people were, of course, in continual intercourse with the older refugees. Bakunin and Lavroff both held stated and formal lectures on socialism and revolution, which were always succeeded by open and animated discussions of the subject treated in them. A little later there were, according to Professor Thun, four distinct groups among the Russian revolutionists in Zurich, some of them caused by personal quarrels. But from the first there were always two, one of whom swore by Bakunin, and the other by Lavroff.

Bakunin was an anarchist—an "amorphist" even, as we have seen—and he believed in the propaganda of deeds. Every little village, he thought, should make its own revolution; and if it could not make a revolution, it might always be making a riot, or an explosion, or a fire, or an assassination of some official, or something else to raise panic or confusion. All this seemed to Lavroff and his friends to be unmitigated

folly. They too believed in revolution; but in their view revolution, to be successful, must be organized and simultaneous; it must, above all, first have the peasantry on its side; and therefore, instead of the mad and premature propaganda of deed, the true policy for the present was manifestly "going into the people," as they termed it—that is, an itinerant mission to indoctrinate the people into the faith of the coming revolution. Then, again, Lavroff, though, like almost all Russian revolutionists, an anarchist, was not, like most of them, prepared to dispense all at once with the State. He thought the new society would eventually be able to do without any central authority, but not at first, nor for a considerable time, the length of which could not now be more precisely determined. In this Lavroff and his party stood much nearer the Social Democrats of Germany than other Russian nihilists, and they have come nearer still since then. They have cast off the Russian commune, of which the early nihilists made so great an idol. They see that it is an old-world institution doomed to dissolution, and rapidly undergoing the process.

The two tendencies—diverging both in principle and in tactics—appeared in Russia as well as Zurich. At first the more peaceful method prevailed. Lavroff's idea of "going into the people" was the enthusiasm of the hour, and brought upon the scene the typical nihilist missionary—the young man of good birth who laid down station and prospects, learnt a manual trade, browned his hands with tar and his face by smearing it with butter and lying in the sun, put on the peasant's sheepskin, and then, with a forged pass, procured at the secret nihilist pass factory, and a few forbidden books in his wallet, set off "without road" to be a peasant with peasants, if by any means he could win them over to the cause; and the still more remarkable young woman who went through a marriage ceremony to obtain the right of independent action, and the moment the ceremony was over, left father and mother and husband and all in order to work among the peasants of the Volga as a teacher or nurse, and live on milk and groats according to Tchernycheffsky's prescription in "What is to be Done?" Stepniak justly remarks that "the type of propagandist of the first lustre of 1870–80 was religious rather than revolutionary.

His hope was socialism, his God the people. Notwithstanding all the evidence to the contrary, he firmly believed that from one day to the other the revolution was about to break out, as in the middle ages people believed at certain periods in the approach of the day of judgment." ("Underground Russia," p. 30.)

For some years these ascetic devotees might be found in every corner of broad Russia, working as shoemakers or joiners most of them (why these were the favourite trades does not appear), or as hawkers of images or tea, or, perhaps, like Prince Krapotkin, as painters. Some of them went as horse-dealers, from a dreamy idea that the horses might prove useful in the day of revolution. They all belonged to one or other of the secret societies which, as we have seen, began to spring up about 1863, and grew numerous in the next ten or fifteen years. None of these societies, however, was of any great importance. Professor Thun mentions four varieties of them. First, the Malikowsy, a handful of apparently harmless and amiable enthusiasts—a kind of Russian Quakers—who believed in one Malikov, and called themselves "God-men," because they held every man had a "divine spark" in him, and was therefore every other man's equal and brother. Second, the Bakunists, who adopted Bakunin's programme of "deeds," but did not, till 1875, think of putting it to practice. Third, the Lavrists, who sent the money to print Lavroff's newspaper in Zurich, the *En Avant*, and who seem to have gradually imbibed German socialism to the extent of thinking the Russian commune a reactionary and decaying institution not worth stirring a finger to preserve, and who called for the nationalization of land and capital. And fourth,—much the most important society,—the Tchaikowskists, founded in 1869 by one Tchaikowski, who is now a teacher in London, but was then a student at St. Petersburg. Prince Krapotkin belonged to this society, and so did Sophia Perowskaia. It was at first a convivial and mutual improvement club, but from discussing forbidden subjects and circulating among its members forbidden books it grew into natural antagonism to Government, and became a focus of revolutionary agitation. Most of the 193 socialists who were tried in 1874-7 belonged to it, and that protracted

trial killed the society and put an end to the mission "into the people."

Government had marked the new propaganda with great jealousy. In Russia, no propaganda among the peasants can remain unobserved. When a stranger arrives at a Russian village, he is immediately the common talk, whatever he says passes from mouth to mouth, and he may even be invited to state his views publicly in the *mir*. A mission conducted under these conditions soon attracted the notice of the authorities, who, in 1874, discovered it in thirty-seven different provinces of Russia, and arrested as many as 774 of the propagandists. Some of these were at once banished administratively to Siberia, and of the rest, 193 were, four years afterwards, brought up for trial and condemned. With these apprehensions the nihilist movement collapsed for the moment. Thun states that Lavroff's newspaper during that period adopted a tone of despair, and the revolutionists who escaped arrest recognised very clearly that their scheme of "going into the people" was a complete mistake, and that some safer and more effective system of tactics must be concocted. They fell upon two different expedients. The first was the plan of nihilist colonization. To avoid detection by the authorities, a band of revolutionists settled down in a given district in a body, got personally acquainted with the peasantry about them, and then, after acquiring a sufficient knowledge of their characters, proceeded with due prudence to impart their ideas to those who seemed most trustworthy, hoping in this way to be able, unobserved, eventually to leaven the whole lump. The other plan they now resorted to was an approach to the tactics of Bakunin, and in the very year, 1876, in which that old revolutionist died, they began a series of socialist demonstrations at Odessa, Kasan, and elsewhere, which made a little local sensation at the time. This was the very opposite kind of tactics to the cautious system of colonization that was pursued simultaneously with it, but there is always in revolutionary organization only a step between reticence and rashness. Open demonstrations like those practised at that period were simply suicidal folly in Russia, where the forces of the Government were so immeasurably superior to the forces of the demonstrationists.

In 1878 they changed tactics again, inaugurating that system of terrorism by which they are best known in the West, and which has given them a name there at which the world turns pale. The determination to adopt this system of tactics sprang from an accidental circumstance. The day after the trial of the 193 ended, one of their comrades, the young woman Vera Sassulitch, called on General Trepoff, the head of the St. Petersburg police, on pretence of business, and while he was reading her papers, shot him with a revolver, flung her weapon on the ground, and allowed herself to be quietly arrested; and when she was brought up for trial, pled justification on the ground that her act was merely retaliation on the General for having subjected a friend of hers, a young medical student, to a brutal and causeless flogging while in prison on a political charge. The court having acquitted her, she was received by the public with every demonstration of enthusiasm, and it was this remarkable public sympathy that made the revolutionaries terrorists. They resolved to take up V. Sassulitch's idea of retaliation, and apply it on a great scale. The whole public of Russia was at that time considerably flushed with indignation against the imperial Government. The war in Turkey had revealed, as wars always do, a great deal of rottenness in the public administration; it had brought nothing but humiliation and debt upon the country, and it had exacted cruel sacrifices from the people merely to confer on the Bulgarians the political and constitutional liberty which was still denied to the Russians themselves. For the moment the old cry for a constitution rose again in St. Petersburg and Moscow, and there was a deep feeling far beyond the circles of the revolutionists that an end should be put to the autocratic *régime*. The revolutionists found powerful encouragement in all this outbreak of displeasure. Stepniak, who was himself one of the most active of them at that period, says their real strength lay, not in their numbers—which he admits to have been few—but in the general sympathy they received from what he calls the revolutionary nation around them. They had however special wrongs of their own to avenge; hundreds of their friends had been transported without trial; and in the case of the 193, whose trial was just over, the few who had been acquitted were

nevertheless denied their liberty by the Czar, and banished administratively to Siberia after all; so that while Russian society was clamouring on public grounds for the downfall of the autocratic system, the revolutionists, for revenge, determined upon the death of the autocrat himself. The various secret societies had united into a single body, called first the "Troglodytes," and then "Land and Liberty," for the better prosecution of the nihilist colonization scheme; but in 1879 they broke again into two parties, one of which, the Will of the People party, adopted terrorism as its exclusive business for the time, issued, through its famous executive committee, sentences of death on the Czar and the State officials; and after making ten attempts on high officials, five of them fatal, and four attempts on the Czar himself, finally succeeded in their fifth on the 13th of March, 1881. With this party the political side of their programme overshadowed the socialistic, and their first demand from the new Czar was for a constitution.

The other party—the party of the Black Division—is an agrarian party, living on the growing discontent of the peasantry, and nursing their cry for what in Russia is known as the Black Division. It is an old belief among the Russian people that when the land possessed at any time by the communes should become too small for the increasing population of the communes, there would be a new division of all the land of the country, including, of course, the great estates now owned by the *noblesse*, so that every inhabitant might be once more accommodated with his proper share of the soil. This great secular redistribution is the black division, and it belongs as naturally to the Russian peasants' system of agrarian ideas as the little local and periodical divisions that take place within the communes themselves. The Black Division section of the revolutionists are terrorist in their methods like the other section, but they care nothing about a constitution, which they say is only a demand of the *bourgeoisie*, but of no interest or good to the peasant at all. They have the old aversion to centralized government, which we have seen to be almost the tradition of Russian revolutionists; they are all for strengthening the communes, and for a light federal connection; and

of all phases of the Russian revolutionary movement under the reign of the present Czar theirs is the most important, because it is founding itself on real and deepening rural discontent, and becoming substantially a peasants' cry for more land and less rent and taxes.

I have already referred to the astonishing growth of a Russian proletariat since the Emancipation Act. Professor Janson, an eminent Russian statistician, calculated that as many as a fourth of the people of St. Petersburg—229,000 out of 876,000—got public relief in the year 1884. Stepniak, in his recent work on the Russian peasantry, asserts that a third of the rural population, or 20,000,000 souls in all, are in the condition of absolute proletarians, and his account of the situation is entirely supported by the descriptions of a competent and unprejudiced German economist, Professor Alphonse Thun, who speaks partly from the results of official inquiries instituted by the Russian Government into the subject, and partly from his own personal observation during a continuous residence of two years in the country. As the subject is of importance to the student of socialistic institutions as well as of the nihilist movement, I shall make no apology for devoting some observations to its explanation.

In the first place, though it has never been well understood in Western Europe, some ten per cent. of the Russian rural population have no legal claim to a share of the land at all; these are old men who are past working, widows with children too young to be able to work, and men who at the time of the Emancipation were personal servants of the great landowners, and consequently not members of any village commune. Men of this last class may reside in a village, and may keep a shop or practise a trade there; but not being born villagers, they possess no right to participate in the distribution of the village land. They are as much outside the communistic system as the nobles or the foreign residents. Russian citizenship alone is not enough to give a right to the land; local birth in a commune is also an essential pre-requisite, and ability to work is another. A family gets one share for every able-bodied member it contains; the share is therefore called a "soul" of land; and although between one distribution and

another the widow may still retain the "soul" that belonged to her husband, and hire a hand to work it, yet on the next redistribution she must give it up unless she has a son who in the meantime has grown to man's estate. The landless widow and orphan must have been an occasional incident of the Russian village system from all times; but the incursion of dismissed domestic menials with no birthright in the commune has arisen only in recent years, when, in consequence of a conspiracy of causes, so many of the nobility have been obliged to reduce their establishments.

In the next place, a communistic tenure which gives every new comer a right to share in the land of his native village on an equal footing with those who are already in possession could hardly fail to lead to excessive subdivision, and in Russia at this moment scarce one family in a hundred has land enough to furnish its maintenance for half the year. The usual size of holding is ten acres, of which—cultivated as they are on the old three-field system—one third is always fallow, and the remainder, in consequence of the rude method of agriculture that prevails, yields only two, or at most three, returns of the seed. They have no pasture, because at the time of the emancipation they preferred to take out their whole claim in arable; and, having no pasture, they cannot keep cattle as they formerly did because they cannot get manure. According to the information of Professor Thun, in 1872 8 per cent. of the families had no cow, and 4 per cent. no horse; and Stepniak says the inventory of horses taken for military purposes in 1882 showed that one-fourth of the peasant families had then no horse. Russia is, in fact, a vast continent of crofters, practising primitive husbandry on mere "cat's-plots" of land, and depending for the greater part of their subsistence on some auxiliary trade. In one respect they have the advantage over our Scotch crofters; they practise, in many cases, skilled trades. Of course they work as ploughmen or fishermen when that sort of work is wanted, or they will hire a piece of waste land from a neighbouring owner and bring it into rude cultivation; but every variety of craft is to be found among them. They are weavers, hatters, cabinet-makers, workers in metals; they make shoes, or images, or candles, or musical instruments,

or grindstones; they dress furs, they knit lace, they train singing-birds. According to the official inquiry, most of the goods of some of the best commercial houses of Moscow, trading in Parisian silk hats and Viennese furniture, are manufactured by these peasants in their rural villages. A curious and very remarkable characteristic is mentioned by Thun: not only has every Russian his bye-industry, but every village has a different bye-industry from its neighbour. One is a village of coopers—a very thriving trade, it appears; another a village of tailors—a declining one, in consequence of the competition of ready-made stuff from the towns; another —and there are several such—may be a village of beggars, with mendicity for their second staff; and another a village of seamen, going in a body in spring to the Baltic or the Volga, and leaving only their women and children to tend the farm till their return in the autumn. The Russians always work in artels whether at home or abroad, and to work in artels they must of course follow the same industry. Their individual earnings in their auxiliary occupations are comparatively good; they make three-fourths of their annual income from that source; but it seems every trade is now overcrowded, and there is some difficulty in obtaining constant employment.

Then the burdens of the peasantry are very heavy. In Russia the superior classes enjoy many exemptions from taxation, and the public revenue is taken mainly from the peasant classes. The annual redemption money they have to pay to the State for their land is a most serious obligation, and between one thing and another the burdens on the land in a vast number of cases exceed its net return very considerably. Professor Thun states, that in 2,009 cases of letting holdings which had occurred in the province of Moscow at the time he wrote, the average rent received was only 3 roubles 56 kopecks per "soul" (land-share), while the average taxation was 10 roubles 30 kopecks. Stepniak says that in the thirty-seven provinces of European Russia the class who were formerly State peasants pay in taxes of every description no less than 92·75 per cent. of the average net produce of their land; and that the class who were formerly serfs of private owners pay as much as 192·25 per cent. of the net produce of theirs. Land-

owning on these terms is manifestly a questionable privilege, and the *moujik* pays his land taxes as the Scotch crofter has sometimes to pay his rent, not out of the produce of his holding, but out of the wages of his auxiliary labour; but the Scotch crofter, under his system of individual tenure, has one great resource which is wanting to the other: he can always cut the knot of his troubles by throwing up his holding, if he chooses, and emigrating. To the Russian peasant emigration brings no relief. He is born a proprietor, and cannot escape the obligation of his position wherever he may go. He may try to let his ground—and in many cases he does—but, as we see, he cannot often get enough rent to meet the dues. He may leave his village, if he will, but his village liabilities travel with him wherever he may settle. He cannot obtain work anywhere in Russia without showing his pass from his own commune; and since, under the principle of joint liability that rules in the communistic system, the members of the commune who remain at home would have to pay the emigrant's arrears if he failed to pay them himself, they are not likely to renew the pass to a defaulter. The Russian peasants are thus nearly as much *adstricti glebæ* as they ever were; they are now under the power of the commune as completely as they were before under the power of their masters; and their difficulty is still how they can possibly obtain emancipation. Sometimes they will defy the commune, forego the advantage of a lawful pass, crowd the ranks of that large body in Russia who are known as the "illegal men," and sometimes, we are assured by Professor Thun, a whole village, every man and every family, will secretly disappear in a body and seek refuge from the tax-collector by settling in the steppes. The natural right of every man to the land is thus, in the principal country where any attempt is made to realize it, nothing but a harassing pecuniary debt.

Now this class of worse than landless emigrants—men who carry their land as a perpetual burden on their back from which they can get no respite—is already very numerous in Russia. Thun says there are millions of them. As far back as 1872, nearly half the town population of Moscow and more than a fifth of the population of the landward district were

strangers, who were inscribed members of rural communes elsewhere; and in many purely country districts some 14 per cent. of the people have no houses because they are not living in the villages they belong to. Sir Robert Morier says in his report to the Foreign Office in September, 1887, on Pauperism in Russia (p. 2): "It is officially stated that in each of the larger provinces, such as Kursk, Tambow, Kostroma, etc., over 100,000 peasants have abandoned the plot of ground granted to them (8 acres) on one pretext or another in order to seek means of subsistence elsewhere. (This probably means flocking to the larger towns.) The number of beggars in 71 Governments was stated to be 300,000, of which 182,000 were peasant proprietors. This number is, however, far below the mark." But, as we learn from Stepniak, the bulk of the landless peasants, *i.e.* those who no longer cultivate their holdings, do not leave their native villages, but seek employment as hirelings in the village itself or in its neighbourhood, and wander as day labourers from one master to another. Their families continue to live in their old cottage in the village, and the father returns to it when out of employment.

Their land is generally taken by a class of small usurers (*koulaks*) who have grown up in every Russian village since the emancipation. These koulaks are in most cases fellow-peasants who have saved some money, but they are frequently strangers who have come and opened a store in the place, and have no right of their own to a share in the land and in the councils of the village. Stepniak mentions one province where as much as from 24 to 36 per cent. of the land is concentrated into the hands of these rich usurers. Even the peasants who still retain their land in their own hands are often deeply indebted to them, and in some cases part with bits of their land without parting with all; and the general tendency of the present economic situation is to divide the peasantry of every village into a class of comparatively rich peasants, on the one hand, holding and cultivating most of the land, and a larger class of rural proletarians, without land and having nothing to live by but their manual trade. The tendency, in short, is towards the break-up of the communal tenure, and instead of the Russian Commune invading Europe, as Cavour

once said there was fear it would do, we are likely to see the individual tenure of Western Europe invading Russia and superseding primitive rural institutions in that country, as it has already superseded them in others. "It is quite evident," says Stepniak, "that Russia is marching in this direction. If nothing happens to check or hinder the process of interior disintegration in our villages, in another generation we shall have on one side an agricultural proletariat of sixty or seventy millions, and on the other a few thousand landlords, mostly former koulaks and mir-eaters, in possession of all the land." It is legally permissible at present for a Russian commune, if it so choose, to abolish its communal system of property and adopt individual property instead of it; and although this has been very seldom done as yet, we are told by Thun that the rich peasants and the very poor peasants are both strongly in favour of the step, because it would give the one permanent ownership of the land and the other permanent relief from its burdens. When a commune gets divided in this way into a rich class of members and a poor class, the old brotherliness and mutual helpfulness of the Russian village are said by the same authority always to disappear and a more selfish spirit to take their place; but then it should be remembered how much easier it is to assist a neighbour out of a little difficulty of the way than to meet the unremitting claims of a class that have sunk into permanent poverty. Anyhow, the temptation is equally strong on both parties to escape from the worries of their present situation through the rich buying out the poor.

Another tendency working in the same direction is the rapid dissolution of the old system of large house-communities that prevailed before the emancipation. The average household has been reduced from seven and a half to five souls, the married children setting up houses of their own instead of dwelling under one roof with their father and grandfather. The house is a mere hut, with no furniture but a table and a wooden bench used by night for a bed, but still the separate *ménage* has increased to an embarrassing extent the expenses of the peasant's living at the very time that other circumstances have reduced his resources. The reason for the break-up of the house-communities has been the desire to escape partly

from the tyranny of the head of the household, but chiefly from the incessant quarrels that prevailed between the several members about the amount they each contributed to the common funds as compared with the amount they ate and drank out of them. One of the brothers goes to St. Petersburg during the winter months as a cabman and brings back a hundred roubles, while another gets work as a forester near home, and earns no more than twenty-five. Now, according to an author quoted by Stepniak, who is describing a family among whom he has lived, the question always is: "Why should he (the forester) consume with such avidity the tea and sugar dearly purchased with the cabman's money? And in general, why should this tea be absorbed with such greediness by all the numerous members of the household—by the elder brother, for instance, who alone drank something like eighty cups a day (the whole family consumed about nine hundred cups per diem) whilst he did not move a finger towards earning all this tea and sugar? Whilst the cabman was freezing in the cold night air, or busying himself with some drunken passenger, or was being abused and beaten by a policeman on duty near some theatre, this elder brother was comfortably stretched upon his belly, on the warm family oven, pouring out some nonsense about twenty-seven bears whom he had seen rambling through the country with their whelps in search of new land for settlement." And so the quarrel goes round; always the old difficulty of *meum* and *tuum*, so hard to reconcile except under a *régime* of individual property.

In fact, the shifts to which the Russian peasantry, like other peasantries elsewhere, have been reduced to solve this difficulty in the management of their common land constitute one main cause of their agricultural backwardness and their consequent poverty. Elisée Reclus calculates that if the Russian fields were cultivated like those of Great Britain, Russia could produce, instead of six hundred and fifty million hectolitres of corn annually, about five milliards, which would be sufficient to feed a population of five hundred million souls. A few lessons in good husbandry will do much more for the comfort of a people than many changes of social organization;

but good husbandry is virtually impossible under a system of unstable tenure, which turns a man necessarily out of his holding every few years for the purpose of a new distribution of the land, and which compels him to take his holding, when he gets it, in some thirty or forty scattered plots. Redistributions, it is true, do not occur so very frequently as we might suppose. As Russian land is all cultivated on a three years' rotation, one might be apt to look for a new distribution every three years, but that almost never occurs. Thun states that in the province of Moscow during the twenty years 1858–1878 the average interval of distribution was 12½ years, four rotations; that 49 per cent. of the communes had a distribution only once in 15 years, and 37 per cent. only once in 20 years. The dislike to frequent distributions is growing, on the obvious and very reasonable ground that they either discourage a man from doing well by his land, or they inflict on him the grave injustice of depriving him of the ground he has himself improved before he has reaped from it the due reward of his labour. The tendency towards individual property is therefore strongly at work here, and as this system of periodical redistribution is established merely to give every man that natural right by virtue of his birth to a share in the land, which is now in so many cases such a delusive irony, the resistance to the new tendency cannot be expected to be very resolute. The *runrig* system of cultivation, which prevails in Russia in the same form as it did in the Highlands of Scotland, does not give any similar appearance of decay. Stepniak says the peasants still prefer that arrangement because it allows room for perfect fairness—perfect reconciliation of the *meum* and *tuum*—in the distribution of their most precious commodity, the land, which always presents great variety as to quality of soil and situation with respect to roads, water, the village, etc. Under a communal system with many members this method of arrangement is almost indispensable to avoid quarrels and prevent the indolent from shirking their proper share of the work, but its agricultural disadvantages are so great that it never long resists an improving husbandry. Although an owner, the Russian peasant, in consequence of the shifting nature of his subject, is said by Stepniak to have none of that passionate feeling of

ownership and that profound delight in his land which are characteristic of the peasant proprietors of the West, but he has—what is really the same thing—a deep sense of personal dignity from its possession, and he feels himself to have lost caste if he is forced to give up his holding and become a mere *batrak*, or wage labourer. All the pride of ownership is already there, and in the changes of the immediate future it will have plenty of opportunity for asserting its place.

Under the pressure of this singular economic movement, the nihilist agitation is now developing largely into a peasants' cry for more land and less rent and taxes. As I have said, the Russian peasantry look for the great black division once in an age. The "Old Believers" mix this idea up with their dreams of a great millennial reign, and keep on thinking that the day after to-morrow is to bring in the happy period before the end of the world, when truth is to prevail and the land is to be equally divided among all; and a feeling easily gets about among the peasantry generally that the "black division" is at last coming. Such a feeling was very widespread during the reign of the late Czar, and, indeed, is still so. Rumours fly every now and then from hamlet to hamlet like wildfire, no one knows whence or how, that the division is to be made in a month, or a week, or a year; that the Czar has decreed it, and when it does not come, that the Czar's wishes have for the time been thwarted, as they had so often been thwarted before, by the selfish machinations of the nobility. For the peasant has a profound and touching belief in his Czar. There may be agrarian socialism in his creed, but it is not the agrarian socialism of the schools. The first article of his faith—and it would appear to be the natural faith of the peasant all the world over—is that the earth is the Lord's and not the nobility's; but his second is that the Czar is the Lord's steward, sent for the very purpose of dividing the land justly among his people. If the peasant hopes for the black division, he hopes for it from the Czar. The Emancipation Act has been far from giving him the land or the liberty he looked for, but he believes—and nothing will shake him out of the belief—that the Emancipation Law which the Czar actually decreed

was a righteous law that would have met all the people's wishes and claims, but that this law has been altered seriously to their disadvantage, under the influence of the nobility, in the process of carrying it into execution. But his confidence always is that the Czar will still interfere and put everything to rights. And when, only a few years ago, the revolutionist Stephanovitch stirred up some disturbances in Southern Russia, which were commonly dignified at the time with the name of a peasants' insurrection, he was only able to succeed in doing what he did by first going to St. Petersburg with a petition from the peasants of the district to the Czar, and then issuing on his return a false proclamation in the Czar's name, commanding the people to rise against the nobility, who were declared to be persistently obstructing and defeating his Majesty's good and just intentions for his loyal people's welfare. If an imperial proclamation were issued to the contrary effect—a proclamation condemning or repudiating the operations of the peasants—the latter would refuse to believe it to be genuine. That occurs again and again about this very idea of the black division, which has obtained possession of the brains of the rural population. It often happens that in a season of excitement, like the time of the Russo-Turkish war, or of famine, like the winter of 1880–81, the rumours and expectations of the black division become especially definite and lively, and lead to meetings and discussions and disturbances which the Government think it prudent to stop. In 1879 the Minister of the Interior, with this object in view, issued a circular contradicting the rumours that were spread abroad, which was read in all the villages and affixed to the public buildings. It stated, as plainly as it was possible to state anything, that there would be no redistribution, and that the landlords would retain their property; but it produced no effect. Professor Engelhardt wrote one of his published "Letters from a Village" at that very moment, and states that the *moujiks* would not understand the circular to mean anything more than a request that they would for a time abstain from gossiping at random about the coming redistribution. One of their reasons for making this odd misinterpretation is curious. The circular warned the people against "evil-intentioned" persons who

disseminated false reports, and gave instructions to the authorities to apprehend them. These evil-intentioned persons were, of course, the nihilist agitators, who were making use of these reports to foment an agrarian insurrection; but the peasants took these enemies of the Government to be the landlords and others who had, they believed, set themselves against the redistribution movement and prevented the benevolence and righteous purposes of the Czar from descending upon his people. In some parts of Russia there has sprung up since 1870 a group of peasantry known as "the medalmen," who have persuaded themselves that the Czar not only wants to give them more land, but has long since decreed their exemption from all taxation except the poll tax. They say, moreover, that he struck a medal to commemorate this gracious design of his, which has been, as usual, so wickedly frustrated by his subordinates; and that even, as things are, one has but to get hold of one of these medals and show it to the collector, and the collector is bound to give the holder the exemption he wants. The medals to which so much virtue is ascribed are merely the medals struck to commemorate the Emancipation of the Serfs; but the "medalmen," who are generally men that have parted with their land, sold their houses, and settled at the mines, pay very high prices for one of these medals, wear it constantly about their necks, and think it will secure them a genuine respite from the burden of taxation they have to bear.

The nihilist propagandists think—and the idea seems very remarkable—that this childish and ignorant confidence in the Czar will not be able to stand much longer the strain of the increasing difficulties of the rural situation. The propagandists make it their business to keep alive the idea of the black division in the hearts of the *moujiks*, and make use of every successive disappointment at its continued delay as an instrument of alienating the affections of the people from the throne. A peasantry are very slow to throw over old sentiments, and will suffer long before breaking with the past, but they take a sure grip of their own interest, and they will turn sometimes very decisively and very gregariously to new deliverers. The Russian peasants see themselves settled on plots of ground too

small to work with profit, and overburdened with taxes; they have to pay sixty per cent. of all their earnings in dues of all kinds on their land; and they cast their eyes abroad and see two-thirds of the country still unpossessed by the people, one-half still owned by the State, and one-sixth by the greater landowners; and with the communistic ideas in which they have been nursed, they feel that it is time for a new division of the greater order to take place. A gigantic crofter question is impending, and this agrarian agitation for more land is likely enough to make nihilism a more formidable thing in the future than it has been in the past. Hitherto it has taken little hold of the peasantry. At first it was a movement of educated young Russia merely, and might be counted with the ordinary intellectual excesses of youth. It only became a serious political force after the Emancipation Act; but it was still a movement of the upper classes, and in spite of immense exertions it has remained so. The situation, however, is rapidly changing, and with the rise—so remarkable in many ways—of a numerous rural proletariat in the country that was supposed to enjoy special protection against it, with the growing distress and discontent of the peasantry, with the louder and more persistent cries for the black division, which their hereditary conception of agrarian justice suggests to them as the only solution of their troubles, who will say what to-morrow may bring forth?

Meanwhile the Will of the People party has continued its activity. We still hear occasionally of murders, and demonstrations, and arrests, and discoveries of nihilist plots on the life of the Czar or of high servants of the Crown, and of alarming discoveries of the hold the movement was taking in the army. But, according to one of the most recent writers on the subject, the author of "Socialismus und Anarchismus, 1883–1886," who admits, however, that it is very difficult to obtain authentic information about it under the rigorous system of repression at present practised by the Russian authorities, a small section of this party, whom he calls the followers of Peter Lavroff, have been developing more in line with German Social Democracy, and have organized themselves into a society called the Labour Emancipation League, which pre-

fers peaceful means of agitation, and in March, 1885, published its programme, demanding (1) a constitution, (2) the nationalization of land, (3) the handing over of factories to the possession of societies of productive labourers, (4) free education, (5) abolition of a standing army, and (6) full liberty of association and meeting. The same writer states, however, that this socialist group are not numerous, and that the various robberies, murders, plots against the Czar's life, incitements of peasant disturbances, seizures of weapons and printing presses that keep on occurring, show that the nihilists, as the others still appear to be called, are much the most active and the most important section of the revolutionary party. He mentions also that in 1884 considerable sensation was produced by the discovery of an anarchist secret society in Warsaw, with several magistrates at its head, which aimed at creating a revolution in Poland,—Prussian and Austrian Poland, as well as Russian,—and rebuilding the Polish nation on a socialist basis. On the apprehension of its leaders it dissolved, but sprang to life again almost immediately in two separate organizations—one directly allied with the Russian Terrorists, and the other, under the influence of a Jew named Mendelssohn, suppressing its Polish nationalism for the present, and linking itself with the Russian socialists—presumably the followers of Lavroff just mentioned.

CHAPTER X.

SOCIALISM AND THE SOCIAL QUESTION.

The renewal of the socialist agitation has not been unproductive of advantage, for it has led to a general recognition that the economic position of the people is far from satisfactory and is not free from peril, and that industrial development, on the lines on which it has hitherto been running, offers much less prospect than was at one time believed of effecting any substantial, steady, and progressive improvement in their condition. It is only too manifest that the immense increase of wealth which has marked the present century has been attended with surprisingly little amelioration in the general lot of the people, and it is in no way remarkable that this fact should tend to dishearten the labouring classes, and fill reflecting minds with serious concern. Under the influence of this experience economists of the present day meet socialism in a very different way from Bastiat and the economists of 1848. They entertain no longer the same absolute confidence in the purely beneficent character of the operation of the principles at present guiding the process of industrial evolution, or in the sovereign virtue of competition, unassisted and uncorrected, as an agency for the distribution as well as the production of wealth; and they no longer declare that there is not and cannot possibly be a social question. On the contrary, some of them take almost as unfavourable a view of the road we are on as the socialists themselves. Mr. Cairnes, one of the very ablest of them, says: "The fund available for those who live by labour tends, in the progress of society, while growing actually larger, to become a constantly smaller fraction of the entire national wealth. If, then, the means of any one class of society are to be permanently limited to this fund, it is evident, assuming that the progress of its members keeps pace with that of other classes, that its material condi-

tion in relation to theirs cannot but decline. Now, as it would be futile to expect, on the part of the poorest and most ignorant of the population, self-denial and prudence greater than that actually practised by the classes above them, the circumstances of whose life are so much more favourable than theirs for the cultivation of these virtues, the conclusion to which I am brought is this, that unequal as is the distribution of wealth already in this country, the tendency of industrial progress—on the supposition that the present separation between industrial classes is maintained—is towards an inequality greater still. The rich will be growing richer; and the poor, at least relatively, poorer. It seems to me, apart altogether from the question of the labourer's interest, that these are not conditions which furnish a solid basis for a progressive social state; but having regard to that interest, I think the considerations adduced show that the first and indispensable step towards any serious amendment of the labourer's lot is that he should be, in one way or other, lifted out of the groove in which he at present works, and placed in a position compatible with his becoming a sharer in equal proportion with others in the general advantages arising from industrial progress." ("Leading Principles," p. 340.) He thinks it beyond question that the condition of the labouring population is not so linked to the progress of industrial improvements that we may count on it rising *pari passu* with that progress; because, in the first place, the labourer can only benefit from industrial inventions which cheapen commodities that enter into his expenditure, and the bulk of his expenditure is on agricultural products, which are prevented from being cheapened by the increase of population always increasing the demand for them; and, second, the labourer is practically more and more divorced from the control of capital, and reduced to the position of a recipient of wages, and there is no tendency in wages to grow *pari passu* with the growth of wealth, because the demand for labour, on which, in the last analysis, the rate of wages depends, is always in an increasing degree supplied by inventions which dispense with labour. He is thus debarred from participating in the advantages of industrial progress either as consumer or as producer:

as consumer, by over-population; as producer, by his divorce from capital. Mr. Cairnes, like most economists, differs from socialists in thinking that the first requisite for any material improvement in the condition of the labouring classes lies in effective restraints on population, but he says that "even a very great change in the habits of the labouring classes as bearing upon the increase of population—a change far greater than there seems any solid ground for expecting—would be ineffectual, so long as the labourer remains a mere receiver of wages, to accomplish any great improvement in his state; any improvement at all commensurate with what has taken place and may be expected hereafter to take place in the lot of those who derive their livelihood from the profits of capital" (p. 335). Here he is entirely at one with socialists in believing that the only surety for a sound industrial progress lies in checking the further growth of capitalism by the encouragement of co-operative production, which, by furnishing the labouring classes with a share in the one fund that grows with the growth of wealth, the fund of capital, offers them "the sole means of escape from a harsh and hopeless destiny" (p. 338). Mr. Cairnes, then, agrees with the socialists in declaring that the position of the wage-labourer is becoming less and less securely linked with the progressive improvement of society, and that the only hope of the labourer's future lies in his becoming a capitalist by virtue of co-operation; only, of course, he is completely at issue with them in regard to the means by which this change is to be effected, believing that its introduction by the direct intervention of the State would be unnecessary, ineffectual, and pernicious.

I am disposed to think that Mr. Cairnes takes too despondent a view of the possibilities of progress that are comprised in the position of the wage-labourer, but it is precisely that view that has lent force to the socialist criticism of the present order of things, and to the socialist calls for a radical transformation by State agency. The main charges brought by socialists against the existing economy are the three following, all of which, they allege, are consequences of the capitalistic management of industry and unregulated competition:—1st, that it tends to reduce wages to the minimum required to give the

labourer his daily bread, and that it tends to prevent them from rising above that minimum; 2nd, that it has subjected the labourer's life to innumerable vicissitudes, made trade insecure, mutable and oscillatory, and created relative over-population; and, 3rd, that it enables and even forces the capitalist to rob the labourer of the whole increase of value which is the fruit of his labour. These are the three great heads of their philippic against modern society: the hopeless oppression of the "iron and cruel law" of necessary wages, the mischief of incessant crises and changes and of the chaotic *régime* of chance, and the iniquity of capital in the light of their doctrine of value. Let us examine them in their order.

I. Socialists found their first charge partly on their interpretation of the actual historical tendency of things, and partly on the teaching of Ricardo and other economists on natural wages. Now, to begin with the question of historical fact, the effect which has been produced by the large system of production on the distribution of wealth and the general condition of the working class is greatly misconceived by them. So far as the distribution of wealth is concerned, the principal difference that has occurred may be described as the decadence of the lower middle classes, a decline both in the number of persons in proportion to population who enjoy intermediate incomes, and also in the relative amount of the average income they enjoy. Their individual income may be higher than that of the corresponding class 150 or 200 years ago, but it bears a less ratio to the average income of the nation. The reason of this decline is, of course, obvious. The yeomanry, once a seventh of our population, and the small masters in trade have gradually given way before the economic superiority of the large capital or other causes, and modern industry has as yet produced no other class that can, by position and numbers, fill their room; for though, no doubt, the great industries call into being auxiliary industries of various kinds, which are still best managed on the small scale by independent tradesmen, the number of middling incomes which the greater industries have thus contributed to create has been far short of the number they have extinguished. The same causes have, of course,

exercised very important effects on the economic condition of the working class. They have reduced them more and more to the permanent position of wage-labourers, and have left them relatively fewer openings than they once possessed for investing their savings in their own line, and fewer opportunities for the abler and more intelligent of them to rise to a competency. This want may perhaps be ultimately supplied under existing industrial conditions by the modern system of co-operation, which combines some of the advantages of the small capital with some of the advantages of the large, though it lacks one of the chief advantages of both, the energetic, uncontrolled initiative of the individual capitalist. But at present, at any rate, it is premature to expect this, and as things stand, many of the old pathways that linked class with class are now closed without being replaced by modern substitutes, and working men are more purely and permanently wage-labourers than they used to be. But while the wage-labourer has perhaps less chance than before of becoming anything else, it is a mistake to suppose, as is sometimes done, that he is worse off, or even, as is perhaps invariably imagined, that he has a less share in the wealth of the country than he had when the wealth of the country was less. On the contrary, the position of the wage-labourer is really better than it has been for three hundred years. If we turn to the period of the English Revolution, we find that the income which the labourer and his family together were able to earn was habitually insufficient to maintain them in the way they were accustomed to live. Sir M. Hale, in his "Discourse Touching the Poor," published in 1683, says the family of a working man, consisting of husband, wife, and four children, could not be supported in meat, drink, clothing, and house-rent on less than 10*s.* a week, and that he might possibly be able to make that amount, if he got constant employment, and if two of his children, as well as their mother, could earn something by their labour too. Gregory King classifies the whole labouring population of the country in his time, except a few thousand skilled artisans, among the classes who decrease the wealth of the country, because, not earning enough to keep them, they had to obtain occasional allowances from public funds. We

do well to grieve over the pauperism that exists now in England. A few years ago, one person in every twenty received parochial support, and one in thirty does so yet. These figures, of course, refer to those in receipt of relief at one time, and not to all who received relief during a year. But for Scotland we have statistics of both, and the latter come as nearly as possible to twice as many as the former. If the same proportion rules in England, then every fifteenth person receives relief in the course of the year.* But in King's time, out of a population of five millions and a half, 600,000 were in receipt of alms, *i.e.*, more than one in ten; and if their children under 16 years of age were included, their number would amount to 900,000, or one in six. Now, while the labourers' wages were then, as a rule, unequal to maintain them in the way they lived, we know that their scale of living was much below that which is common among their class to-day. The only thing which was much cheaper then than now was butcher meat, mutton being only 2*d.* a lb., and beef, 1¼*d.*; but half the population had meat only twice a week, and a fourth only once. The labourer lived chiefly on bread and beer, and bread was as dear as it is now. Potatoes had not come into general use. Butter and milk were cheaper than now, but were not used to the same extent. Fuel, light, and clothing were all much dearer, and salt was so much so as to form an appreciable element in the weekly bill. When so many of the staple necessaries of life were high in price, the labourer's wages naturally could not afford a meat diet. Nothing can furnish a more decisive proof of the rise in the real remuneration of the wage-labourer since the Revolution than the fact that the wages of that period were insufficient to maintain the lower standard of comfort prevalent then, without parochial aid, while the wages of the same classes to-day are generally able to maintain their higher standard of comfort without such supplementary assistance. Then the hours of labour were, on the whole, longer; the death rate in London was 1 in 27, in place of 1 in 40 now; and all those general advantages

* The proportion in England for 1857, according to official figures, was 3½ times the number for one day, but whether that proportion continues still we have no means of knowing.

of advancing civilization, which are the heritage of all, were either absent or much inferior.

These facts sufficiently show that if the rich have got richer since the Revolution, the poor have not got poorer, and that the circumstances of the labouring class have substantially improved with the growth of national wealth. As far as their mere money income is concerned there is some reason for thinking that the improvement has been as near as may be proportional with the increase of wealth. The general impression is the reverse of this. It is usual to hear it said that while the labourers' circumstances have undoubtedly improved absolutely, they have not improved relatively, as compared with the progress in the wealth of the country and the share of it which other classes have succeeded in obtaining. But this impression must be qualified, if not entirely rejected, on closer examination. Data exist by which it can be to some extent tested, and these data show that while considerable alterations have been made in the distribution of wealth since the rise of the great industries, these alterations have not been unfavourable to the labouring classes, but that the proportion of the wealth of the country which falls to the working man to-day is very much the same—is indeed rather better than worse—than the proportion which fell to his share two hundred years ago. Gregory King made an estimate of the distribution of wealth among the various classes of society in England in 1688, founded partly on the poll-books, hearth-books, and other official statistical records, and partly on personal observation and inquiry in the several towns and counties of England; and Dr. C. Davenant, who says he had carefully examined King's statistics himself, checking them by calculations of his own and by the schemes of other persons, pronounces them to be "very accurate and more perhaps to be relied on than anything that has been ever done of a like kind." Now, a comparison of King's figures with the estimate of the distribution of the national income made by Mr. Dudley Baxter from the returns of 1867, will afford some sort of idea—though of course only approximately, and perhaps not very closely so—of the changes that have actually occurred. King takes the family income as the unit of his calculations. Baxter, on the other hand, specifies

all bread-winners separately—men, women, and children; but to furnish a basis of comparison, let us take the men as representing a family each, and if so, that would give us 4,006,260 working-class families in the country in 1867. This is certainly a high estimate of their number, because in 1871 there were only five million of families in England; and according to the calculations of Professor Leone Levi, the working class comprises no more than two-thirds of the population, and would consequently consist in 1871 of no more than 3,300,000 families. If we were to take this figure as the ground of our calculations, the result would be still more striking; but let us take the number of working-class families to have been four millions in 1867. The average income of a working-class family in King's time was £12 12*s.* (including his artisan and handicraft families along with the other labourers); the average income of a working class family now is £81. The average income of English families generally in King's time was £32; the average income of English families generally now is £162. The average income of the country has thus increased five-fold, while the average income of the working class has increased six and a half times. The ratio of the working class income to the general income stood in King's time as 1 : 2½, and now as 1 : 2. In 1688, 74 per cent. of the whole population belonged to the working class, and they earned collectively 26 per cent. of the entire income of the country; in 1867—according to the basis we have adopted, though the proportion is doubtless really less—80 per cent. of the whole population belonged to the working class, and they earned collectively 40 per cent. of the entire income of the country. Their share of the population has increased 6 per cent.; their share of the income 14 per cent.

Now, I am far from adducing these considerations with the view of suggesting that the present condition of the working classes or the present distribution of wealth is even approximately satisfactory, but I think they ought to be sufficient to disperse the gloomy apprehensions which trouble many minds as if, with all our national prosperity, the condition of the poorer classes were growing ever worse and could not possibly, under existing industrial conditions, grow any better; to prevent us from prematurely condemning a system of society,

whose possibilities for answering the legitimate aspirations of the working class are so far from being exhausted, that it may rather be said that a real beginning has hardly as yet been made to accomplish them; and to give ground for the hope that the existing economy, which all admit to be a most efficient instrument for the production of wealth, may, by wise correction and management, be made a not inadequate agency for its distribution.

The socialists are not more fortunate in their argument from the teaching of economists than in their account of the actual facts and tendency of history. The "iron and cruel law" of necessary wages is, as expounded by economists, neither so iron nor so cruel as Lassalle represented it to be. They taught that the price of labour, like the price of everything else, tended to settle at the level of the relative cost of its production, and that the cost of its production meant the cost of producing the subsistence required to maintain the labourer in working vigour and to rear his family to continue the work of society after his day; but they always represented this as a minimum below which wages would not permanently settle, but above which they might from other causes remain for a continuity considerably elevated, and which, even as a minimum, was in an essential way ruled by the consent of the labouring classes themselves, and dependent on the standard of living they chose habitually to adopt. If the rate of wages were forced down below the amount necessary to maintain that customary standard of living, the marriage rate of the labouring classes would tend to fall and the rate of mortality to rise till the supply of labour diminished sufficiently to restore the rate of wages to its old level. And conversely, if the price of labour rose above that limit, the marriage rate among the labouring class would tend to rise and the rate of mortality to fall, till the numbers of the working population increased to such an extent as to bring it down again. But the rate of marriage depended on the will and consent of the labouring class, and their consent was supposed to be given or withheld according as they themselves considered the current wages sufficient or insufficient to support a family upon. The amount of the labourer's "necessary" subsistence was never thought

to be a hard and fast limit inflexibly fixed by physical conditions. It was not a bare living; it was the living which had become customary or was considered necessary by the labourer. Its amount might be permanently raised, if in consequence of a durable rise of wages a higher standard of comfort came to be habitual and to be counted essential, and the addition so made to it would then become as real an element of natural or necessary wages in the economic sense as the rest. Its amount might also permanently fall, if the labourers ceased to think it necessary and contentedly accommodated their habits to the reduced standard, and there might thus ensue a permanent degradation of the labourer, such as took place in Ireland in the present century, when the labouring class adjusted themselves to reduction after reduction till their lower standard of living served, in the first place, to operate as an inducement to marriage instead of a check on it, because marriage could not make things worse, and at least lightened the burdens of life by the sympathy that shared them; and served, in the second place, to impair the industrial efficiency of the labourer till he was hardly worth better wages if he could have got them. So far then was the doctrine of economists from involving any "iron or cruel" limit that they always drew from it the lesson that it was in the power of the labouring classes to elevate themselves by the pleasant, if somewhat paradoxical, expedient of first enlarging their scale of expenditure. "Pitch your standard of comfort high, and your income will look after itself," is scarcely an unfair description of the rule of prudent imprudence they inculcated on working people. They believed that the chief danger to which that class was exposed was their own excessive and too rapid multiplication, and they considered the best protection against this danger to lie in the powerful preventive of a high scale of habitual requirements.

Moreover, Ricardo distinctly maintained that though the natural rate of wages was determined as he had explained, yet the operation of that natural law might be practically suspended in a progressive community for an indefinite period, and that the rate of wages actually given might even keep on advancing the whole time, because capital was capable of increasing much more rapidly than population. The price of labour, he taught,

would in that case be always settled by the demand for it which was created by the accumulation of capital, and the sole condition of the accumulation of capital was the productive power of labour. The rate of wages in a progressive community might therefore almost never be in actual fact determined by this "iron and cruel law" at all, and so there is not the smallest ground for representing economists as teaching that the present system compels the rate of wages or the labourer's remuneration to hover to and fro over the margin of indigence.

Lassalle, then, built his agitation on a combination of errors. He was wrong in his interpretation of the tendency of actual historical development; he was wrong in his interpretation of the doctrine of economists; and now, to complete the confusion, that doctrine is itself wrong. If we are at all to distinguish a natural or normal rate of wages from the fluctuating rates of the market, that natural or normal rate will be found really to depend, not on the cost of producing subsistence, but on the amount or rate of general production, or the amount of production *per capita* in the community, or, in other words, on the average productivity of labour. It is manifest that this would be so in a primitive condition of society in which industry was as yet conducted without the intervention of a special employing class, for then the wages of labour would consist of its product, and be, in fact, as Smith says, only another name for it. It would depend, however, not exclusively on the individual labourer's own efficiency, but also on the fertility of the soil and the general efficiency of the rest of the labouring community. While according to his own efficiency he would possess a greater or smaller stock of articles, which, after providing for his own wants, he might exchange for other articles produced by his neighbours; the quantity he would get in exchange for them would be great or small according to the degree of his neighbour's efficiency. The average real remuneration of labour, or the average rate of wages, in such a community would therefore correspond with the average productivity of its labour. But the same principle holds good in the more complex organization of industrial society that now exists, though its operation is more difficult to trace.

The price of labour is now determined by a struggle between

the labourer and the employer, and the fortunes of the struggle move between two very real, if not very definitely marked, limits, the lower of which is constituted by the smallest amount which the labourer can afford to take, and the higher by the largest amount which the employer can afford to give. The former is determined by the amount necessary to support life, and the latter by the amount necessary to secure an adequate profit. Now the space between these two limits will be always great or small in proportion to the general productivity of labour in the community. The general productivity of labour acts upon the rate of wages in two ways, immediately and mediately. Immediately, because, as is manifest, efficient labour is worth more to the employer than inefficient; and mediately, as I shall presently show, because it conduces to a greater diversion of wealth for productive purposes, and so increases the general demand for labour. In modern society, as in primitive, the labourer not only obtains a higher remuneration if he is efficient himself, but gathers a higher remuneration from the efficiency of his neighbours.

This will be obvious at once to any one who reflects on the improved remuneration of the common unskilled labourers. The man who works with pick and shovel makes, according to Mr. Mulhall's estimate, £30 a year now, while he only made £12 a year in 1800, when bread was about twice as dear, and yet he probably did quite as good a day's work then as he does now, except so far as his better wages have themselves helped his powers of labour, through affording him a more liberal diet, and in that case the same question is raised, How did he come to get these better wages? It was not on account of an increase in his own production, for that was the effect, not the cause; it was on account of the general increase in the productivity of all labour round about him. The great improvement in industrial processes have brought in more plentiful times, and he shares in the general plenty, though he may not have directly contributed to its production. He gets more for the same work, not merely because people in general, with their larger surplus, can afford to give him more, but because, having more to devote to industrial investment, they increase the demand for labour till they are obliged to give him more.

The proximate demand for labour is, of course, capital, but the amount of capital which a community tends to possess—in other words, the amount of wealth it tends to detach for industrial investment—bears a constant relation to the amount of its general production. There is a disposition among economists to speak of the quantity of a nation's savings, as if it was something given and complete that springs up independently of industrial conditions, and as irrespectively of the purpose to which it is to be applied as the number of eggs a fowl lays or the amount of fruit a tree bears. But, in reality, it is not so. The amount of a nation's savings is no affair of chance; it is governed much more by commercial reasons than is sometimes supposed. It is no sufficient account of the matter to say that men save because they have a disposition to save, because there is a strong cumulative propensity in the national character. They save because they think to get a profit by saving, and the point at which the nation stops saving is the point at which this expectation ceases to be gratified, the point at which enough has been accumulated to occupy the entire field of profitable investment which the community offers at the time. Some part of a nation's savings will always have originated in a desire to provide security for the future, but, as this part is less subject to fluctuation, it exercises less influence in determining the extent of the whole than the more variable part, which is only saved when there is sufficient hope of gain from investing it. There may be said to be a natural amount of capital in a country, in at least as true a sense as there is a natural price of labour, or a natural price of commodities. Capital has its bounds in the general industrial conditions and stature of the community, but it moves and answers these conditions with much more elasticity than the wage-fund theory used to acknowledge. It is, as Hermann said, a mere medium of conveyance between consumer and consumer, and has its size decreed for it by the quantities it has to convey. The general demand for commodities is a demand for capital. It creates the expectation of profit which capital is diverted from expenditure to gratify, and since it is itself in another aspect the general supply of commodities, it furnishes the possibilities for meeting the demand for capital

which it creates. This whole argument may seem to be reasoning in a circle or wheeling round a pivot, and so in a sense it may be, for the wheel of industry is circular. The rate of wages depends on the demand for labour; the demand for labour depends on the amount of capital; the amount of capital depends on the aggregate production of and demand for commodities; and the amount of aggregate production depends on the average productivity of labour. It is but a more circuitous way of saying the same thing as the older economists said, when they declared the rate of wages to depend on the supply of capital, as compared with population; but it shows that the supply of capital is a more elastic element than they conceived, that it adjusts and re-adjusts itself more easily and sensitively to industrial conditions, including perhaps even those of population, and that it is governed in a very real way by the great primary factor that determines the whole size and scale of the industrial system in all its parts, the general productivity of labour. Taking one country with another, the rate of wages will be found to observe a certain proportion to the amount of production *per capita* in the community.

This view will be confirmed by a comparison of the actual rate of wages prevalent in different countries. Lord Brassey has published an important body of positive evidence tending to show that the cost of labour is the same all over the world, that for the same wages you get everywhere the same work, and that the higher price of labour in some countries than in others is simply due to its higher efficiency. Mr. Cairnes, who did not accept this conclusion unconditionally, had, however, himself previously estimated that a day's labour in America produced as much as a day and a third's in Great Britain, to a day and a half's in Belgium, a day and three-fourths' or two days' in France and Germany, and to five days' labour in India. Now, when due regard is had for the influence of special historical circumstances, it will be found that the rate of wages observes very similar proportions in these several countries. In America it is higher than the relative productivity of the country would explain, because a new country with boundless natural resources creates a permanently exceptional demand for labour; because the facilities

with which land can be acquired and wrought, even by men without previous agricultural training, affords a ready correction to temporary redundancies of labour; and because the labour itself is more mobile, versatile, and energetic in a nation largely composed of immigrants. Other modifying influences also interfere to preclude the possibility of a precise correspondence between national rates of wages and national amounts of production *per capita*, for different countries vary much in the extent of the fixed capital they employ to economize personal labour. But enough has been said to show that, if a natural rate of wages is to be sought at all, it must be looked for, not in the cost of the production of subsistence, but in the rate of the production of commodities; and while the standard of living and the price of labour tend to some extent to keep one another up, the higher standard of living prevalent among labourers in some countries is a consequence much more than a condition of the higher rate of wages, which the higher productivity of labour in those countries occasions.

There is therefore no ground for Lassalle's representation that the law of necessary wages condemns ninety-six persons in every hundred to an existence of hopeless misery to enable the other four to ride in luxury. The principles that govern the rate of wages are much more flexible than he supposed, and the experience of trade unions has sufficiently demonstrated that it is within the power of the wage-labourers themselves to effect by combination a material increase in the price of their labour. Trade unions have taken away the shadow of despondency that lay over the hired labourer's lot. Their margin of effective operation is strictly limited; still such a margin exists, and they have turned it to account. They have put the labourer in a position to hold out for his price; they have converted the question of wages from the question, how little the labourer can afford to take, into the question, how much the employer can afford to give. They have been able, in trades not subject to foreign competition, to effect a permanent rise in wages at the expense of prices, and they can probably, in all trades, succeed in keeping the rate of wages well up to its superior limit, viz., to the point at which, while the skilful employers might still afford to give more, the un-

skilful could not do so without ceasing to conduct a profitable business and being driven out of the field altogether. For unskilful management tells as ill on wages as inefficient labour. On the other hand, high wages, like many other difficult conditions, undoubtedly tend to develop skilful management. The employer is put on his mettle, and all his administrative resource is called into action and keen play. They who, like socialists, inveigh against this modern despot, ought to reflect how much less possible it would have been for wages to have risen, if industry had been in the hands of hired managers who were not put to their mettle, because they had no personal stake in the result. It must not be forgotten, however, that while trade unions are able to keep the rate of wages up to its superior limit, they have no power to raise that limit itself. This can only be done by an increase in the general productivity of labour, and, in fact, the action of trade unions could not have been so effective as it has been, unless the high production of the country afforded them the conditions for success. And since, in consequence of their action and vigilance, the rate of wages in the trades they represent may be now taken as usually standing close to its superior limit, the chief hope of any further substantial improvement in the future must now be placed in the possibility of raising that limit by an increased productivity.

Of this the prospect is really considerable and promising. Of course labourers will never benefit to the full from improvements in the productive arts, until by some arrangement, or by many arrangements, they are made sharers in industrial capital; but they will benefit from these improvements, though in less measure, even as pure wage-labourers. Their unions will be on the watch to prevent the whole advantage of the improvement from going towards a reduction of the price of the commodity they produce, and such reduction in the price of the commodity as actually takes place will enable its consumers to spend so much the more of their means on commodities made by other labourers, and to that extent to increase the demand for the labour of the latter. But the field from which I expect the most direct and extensive harvest to the working class is the development of their own personal

efficiency. At present neither employers nor labourers seem fully alive to the resources which this field is capable of yielding, if it were wisely and fairly cultivated. Both classes are often so bent on immediate advantage that they lose sight of their real and enduring interest. It is doubtful whether employers are more slow to see how much inadequate remuneration and uncomfortable circumstances impair efficiency and retard production, or labourers to perceive how much limiting the general rate of production tends to reduce the general rate of wages. In labour requiring mainly physical strength, contractors sufficiently appreciate the fact that their navvies must be well fed if they are to stand to their work, and that an extra shilling a day makes a material difference in the output. But in all forms of skilled labour, likewise, analogous conditions prevail. Just as slave-labour is inefficient because it is reluctantly given, and is wanting in the versatility and resourcefulness that comes from general intelligence, so is free labour less efficient or more efficient in exact proportion to its fertility of resource and to the hopefulness and cheerfulness with which it is exerted; and both conditions are developed in the working class in precise ratio with their general comfort. The intelligent workman takes less time to learn his trade, needs less superintendence at his work, and is less wasteful of materials; and the cheerful workman, besides these merits, expends more energy with less exhaustion. But men can have no hope in their work while they live purely from hand to mouth, and you cannot spread habits of intelligence among the labouring class, if their means are too poor or their leisure too short to enable them to participate in the culture that is going on around them.

But if employers are apt to take too narrow a view of the worth of good wages as a positive source of high production, labourers are apt to take equally narrow views of the worth of high production as a source of good wages. The policy of limiting production is expressly countenanced by a few of their trade unions, with the concurrence, I fear, of a considerable body of working-class opinion. This is shown in their idea of "making work," in their prohibition of "chasing"—*i.e.*, of a workman exceeding a given average standard of production—

and in their prejudice against piecework. Their notion of making work is irrational. They think they can make work by simply not doing it, by spinning it out, by going half speed, under the impression that they are in this way leaving the more over to constitute a demand for their labour to-morrow. And so, in the immediate case in hand and for the particular time, it may sometimes be. But if this practice were to be turned into a law universal among working men, if all labourers were to act upon it everywhere, then the general production of the country would be immediately reduced, and the general demand for labour, and the rate of wages, would inevitably fall in a corresponding degree. Instead of making work, they would have unmade half the work there used to be, and have brought their whole class to comparative poverty by contracting the ultimate sources from which wages come. The true way to make work for to-morrow is to do as much as one can to-day. For the produce of one man's labour is the demand for the produce of another man's. There is nothing more difficult for any class than to reach an enlightened perception of its own general interest.

The objection usually made to "chasing" and piecework is that they always end in enabling employers to extract more work out of the men without giving them any more pay, and that they conduce to overstraining. Now piecework, without a fixed list of prices, is of course liable to the abuse which, it is alleged, masters have made of it. But with a fixed list of prices the labourers ought, with the aid of their unions, to be as able to hold their own against the encroachments of the masters under piecework as under day work, and piecework is so decidedly advantageous, both to masters and to men, that it would be foolish for the former to refuse the reasonable concession of a fixed list of prices; and it would be equally foolish for the latter to oppose the system under the delusive fear of a danger which it is amply in their own power to meet. There is a good deal of force in the view of Mr. William Denny, that piecework will prove the best and most natural transition from the present system to a *régime* of co-operative production, because it furnishes many kinds of actual opportunities for practising co-operation; but whatever may be the promise of

piecework for the age that is to come, there is no question about its promise for the life that now is. Mr. Denny, speaking from experience in his own extensive shipbuilding works at Dumbarton, says that "a workman under piecework generally increases his output in the long run—partly by working hard, but principally by exercising more intelligence and arranging his work better—by about 75 per cent., while the total amount of his wages increases by about 50 per cent., making a distinct saving in the wages portion of the cost of a given article of about 14 per cent." ("The Worth of Wages," p. 19.)* Similar testimony is given by Goltz, Boehmert, and a writer in Engels' *Zeitschrift* for 1868, as to the effect of the introduction of piecework into continental industries, and Roscher ascribes much of the industrial superiority of England to the prevalence of piecework here. According to Mr. Howell, more than seventy per cent. of the work of this country is done at present by the piece, and the Trades' Union Commission found it the accepted rule in the majority of the industries that came under their investigation; in fact, in all except engineering, ironfounding, and some of the building trades. The engineers entertain a

* Mr. Denny was led by subsequent experience to a much less favourable view of the efficacy of piecework as an instrument of working-class progress. He wrote me in June, 1886 (ten years after the publication of the pamphlet I have quoted above) an interesting and valuable letter on this subject, which is published in full in Dr. Bruce's biography of him ("Life of William Denny," p. 113). A larger experience of piecework, he said, had convinced him that, excepting in cases where rates can be fixed and made a matter of agreement between the whole body of the men in any works and their employers, piecework prices have not a self-regulating power, and are liable, under the pressure of competition, to be depressed below what he would consider a proper level. And this was chiefly, if not, indeed, exclusively, the case with those lump jobs which were undertaken by little copartneries of workmen, and afforded the occasions for practising co-operation from which he had drawn the hopes I have mentioned above. He came to see that in all kinds of work for which it was difficult to fix regular rates, the beneficial operation of payment by the piece on wages was much more uncertain than he previously supposed, except in the hands of a good master, who was not an absentee. But for ordinary work, I think he still adhered to his favourable opinion of the effect of the piece system in increasing the worker's earnings. He said he had nothing to modify about the figures adduced in his pamphlet, and I understood him to continue to count them representative of the general operation of pieceworking.

strong objection to it, and their union has sometimes expelled members who have persisted in taking it. But the system works smoothly enough when an established price-list has become a recognised practice of the trade. The objection that the piece system leads to careless, scamped and inferior work, can hardly be considered a genuine working-class objection. That is the look-out of the masters, and they find it easier to check quality than to check quantity. Another reason sometimes given against piecework is that under it some men get more than their share in the common stock of work, but there lurks in this reason the same fallacy which lies in the notion of "making work," the fallacy of seeking to raise the level of wages by limiting production, and so diminishing the common stock of work of society. Labourers seem sometimes to harbour an impression as if they were losing something when their neighbours were making more than themselves. Work appears to them—no doubt in consequence of the fluctuations and intermittent activity of modern trade—to come in bursts and windfalls, nobody knows whence or how, and they are sometimes uneasy to see the harvest being apparently disproportionately appropriated by more active and efficient hands. But in the end, and as a steady general rule, they are gainers and not losers by the efficiency of the more expert workmen, because productivity, so far from drying up the sources of work, is the very thing that sets them loose.

A more important objection is the danger of overstraining, against which of course the working class are wise to exercise a most jealous vigilance. But, in the first place, it is easy to exaggerate this danger. It is not really from any deepened drain on the physical powers of the workmen, so much as from a quickening of his mental life in his work, that increase in his productivity is to be expected. Mr. Denny, it will be observed, attributes the additional output under piecework not nearly so much to harder labour as to the exercise of more intelligence and to a better arrangement of the work. But, in the next place, to my mind the great advantage of piecework is that it affords a sound economic reason for shortening the day of labour. The work being intenser, demands a shorter day, and being more productive, justifies it. If the figures I have quoted

from Mr. Denny are at all representative, then a labourer, working by the piece, can turn out 40 per cent. more in eight hours than working by the day he can do in ten. Differences may be expected to obtain in this respect in different trades and kinds of work, so that there possibly cannot be any normal day of labour for all trades alike, and each must adjust the term of its labour to its own circumstances. But wherever piecework can increase the rate of production to the extent mentioned by Mr. Denny, the day of labour may be shortened with advantage, and it can apparently do so in the very trades that most strongly object to it. A fact mentioned by Mr. Nasmyth, in his remarkable evidence before the Trades Union Commission, opens a striking view of the possibilities of increasing production through developing the personal efficiency of the labouring class, and of doing so without requiring any severe strain. "When I have been watching men in my own work," he says, "I have noticed that at least two-thirds of their time, even in the case of the most careful workmen, is spent, not in work, but in criticising with the square or straight-edge what they have been working, so as to say whether it is right or wrong." And he adds—"I have observed that wherever you meet with a dexterous workman, you will find that he is a man that need not apply in one case in ten to his straight-edge or square." And why are not all dexterous, or, at least, why are they not much more dexterous than they now are? Mr. Nasmyth's answer is, because the faculty of comparison by the eye is undeveloped in them, and he contends that this faculty is capable of being educated in every one to a very much higher degree than exists at present, and that its development ought to be made a primary object of direct training at school. "If you get a boy," he says, "to be able to lay a pea in the middle of two other peas, and in a straight line with these two, that boy is a vast way on in the arts." He has gone through a most valuable industrial apprenticeship before he has entered a workshop at all. If, through training the eye, workmen can save two-thirds of their time, it is manifest that there is abundant scope for increasing productivity and shortening the day of labour at the same time. Industrial efficiency is much more a thing of mind than of muscle. *Jeder Arbeiter ist auch Kopfarbeiter.* All work is also

head work. Skill is but a primary labour-saving apparatus engrafted by mind on eye and limb, and it is in developing the mental faculties of the labourers by well-directed training, both general and technical, that the chief conditions for their further improvement lie. Their progress in intelligence may therefore be expected to increase their productivity so as to justify a shortening of their day of labour, and the leisure so acquired may be expected to be used so as to increase their intelligence. Any advance men really make in the scale of moral and mental being tends in this way to create the conditions necessary for its maintenance.

We sometimes hear the same pessimist prophecy about shorter hours as we have heard for centuries about better wages, that they will only seduce the working class to increased dissipation. But experience is against this view. Of course more leisure and more pay are merely means which the labourer may according to his habits use for his destruction as easily as for his salvation. But the increase in the number of apprehensions for drunkenness that frequently accompanies a rise in wages proves neither one thing nor another as to the general effect of the rise on the whole class of labourers who have obtained it; it proves only that the more dissipated among them are able to get oftener drunk. Nor can the singular manifestations which the full hand sometimes takes with the less instructed sections of the working class, especially when it has been suddenly acquired, furnish any valid inference as to the way it would be used by the working class in general, particularly if it were their permanent possession. The evidence laid before the House of Lords Committee on Intemperance shows that the skilled labourers of this country are becoming less drunken as their wages and general position are improving; and Porter, in his "Progress of the Nation," adduces some striking cases of a steady rise of wages making a manifest change for the better in the habits of unskilled labourers. He mentions, on the authority of a gentleman who had the chief direction of the work, that "the formation of a canal in the North of Ireland for some time afforded steady employment to a portion of the peasantry, who before that time were suffering all the evils so common in that country

which result from precariousness of employment. Such work as they could previously get came at uncertain intervals, and was sought by so many competitors that the remuneration was of the scantiest amount. In this condition the men were improvident to recklessness. Their wages, insufficient for the comfortable maintenance of their families, were wasted in procuring for themselves a temporary forgetfulness of their misery at the whisky shop, and the men appeared to be sunk into a state of hopeless degradation. From the moment, however, that work was offered to them which was constant in its nature and certain in its duration, and on which their weekly earnings would be sufficient to provide for their comfortable support, men who had been idle and dissolute were converted into sober, hardworking labourers, and proved themselves kind and careful husbands and fathers; and it is stated as a fact that, notwithstanding the distribution of several hundred pounds weekly in wages, the whole of which would be considered as so much additional money placed in their hands, the consumption of whisky was absolutely and permanently diminished in the district. During the comparatively short period in which the construction of this canal was in progress, some of the most careful labourers—men who most probably before then never knew what it was to possess five shillings at any one time—saved sufficient money to enable them to emigrate to Canada, where they are now labouring in independence for the improvement of their own land" (p. 451). It may be difficult to extirpate drunkenness in our climate even with good wages, but it is certainly impossible with bad, for bad wages mean insufficient nourishment, comfortless house accommodation, and a want of that elasticity after work which enables men to find pleasure in any other form of enjoyment. As with better wages, so with shorter hours. The leisure gained may be misused, especially at first; but it is nevertheless a necessary lever for the social amelioration of the labouring class, and it will more and more serve this purpose as it becomes one of their permanent acquisitions. There can be no question that long hours and hard work are powerful predisposing causes to drunkenness. Studnitz mentions that several manufacturers in America had informed him that they had

invariably remarked, that with solitary exceptions here and there, the men who wrought for the longest number of hours were most prone to dissipation, and that the others were more intelligent, and formed on the whole a better class. Part of the prejudice entertained by working men against piecework comes from the fact that it is very often accompanied with overtime, and when that is the case, it generally exerts an unfavourable effect on the habits of the workman. Mr. Applegarth said, in his evidence before the Trades Union Commission, that nothing degraded the labourer like piecework and overtime. Mr. George Potter stated, in his evidence before the Select Committee on Masters and Operatives in 1860, that it was a common saying among working people with regard to a man who works hard by piecework and overtime, that such a man is generally a drunkard. He ascribed much of the intemperance of the labouring class to the practice of working "spells"—*i.e.*, heats of work at high pressure on the piece and overtime system—instead of steadily; and he says—"When I was at work at the bench, I worked to a firm where there was much overtime and piecework, and I found that the men at piecework were men who generally spent five or six times more money in intoxicating drink, for the purpose of keeping up their physical strength, than the men at day work. I find, on close observation, that the men working at piecework are generally a worse class of men in every way, both in intelligence and education, and in pecuniary matters." Now, the ill effects which issue from piecework combined with overtime could not accrue from piecework combined with shorter hours. Besides, in a case of this kind it is sometimes difficult to say which is cause and which effect, or how much the one acts and reacts on the other. For both Mr. Potter and the manufacturers mentioned by Studnitz represent the men who wrought longest as being not only more drunken, but less intelligent and educated, and, in fact, as being every way inferior; and we can easily understand how men of unsteady habits should prefer to work "spells," and try to make up by excessive work three days in the week, for excessive drinking the other three.

Dissipation and overtime generally go together, but neither

of them is a necessary accompaniment of piecework. The best check to both is probably the spread of general education among the working class, for the better educated workmen are even at present usually found against them; and the spread of general education—I do not speak here of technical—among the working class is more fruitful than even piecework itself in opening up fresh reserves of industrial efficiency in our labouring manhood. Roscher has pointed out how a stimulant like piecework produces in a fairly well-educated district twice the result it produces in a comparatively illiterate one. Taking the figures of Goltz on rural labour in different German States, he shows that while the earnings of pieceworkers were only 11 per cent. higher than the earnings of day-workers in Osnabruck, they were as much as 23 per cent. higher in Hesse. Mr. Peshine Smith mentions that the Board of Education in Massachusetts procured from overseers of factories in that State a return of the different amounts of wages paid and the degree of education of those who received them. Most of the work was done by the piece, and it was found that the wages earned rose in exact ratio with the degree of education, from the foreigners at the bottom who made their mark as the signature of their weekly receipts to the girls at the top who did school in winter and worked in factories in summer. In some branches of industry many new improvements remain unused because the workpeople are too ignorant to work them properly. Moreover, for the supreme quality of resourcefulness, education is like hands and feet, and if we may judge from the number of useful labour-saving inventions which working men give us even now, we cannot set limits to the number they will give when the whole labouring class will have got the use of their mind by an adequate measure of general education, and when, as we may hope, they will have got leisure to use it in through a shortening of the day of labour. The possibilities of this last source are very well illustrated by an experiment of Messrs. Denny. In 1880 they established in their ship-building yard at Dumbarton an award scheme for recompensing inventions made by their workmen for improving existing machinery or applying it to a new class of work, or introducing new machinery in place of

hand labour, or discovering any new method of arranging or securing work that either improved its quality or economized its cost. Mr. William Denny stated, after the scheme had been nearly seven years in operation, that in that time as many as 196 awards had been given for inventions which were thought useful to adopt, that three times that number had been submitted for consideration, and that besides being beneficial in causing so many useful improvements to be made, the scheme had the effect of making the workmen of all departments into active thinking and planning beings instead of mere flesh and blood machines.

I cannot, therefore, take so dark a view as is sometimes entertained of the futurity of the wage-labourer, even if he were compelled to remain purely and permanently such. His position has substantially improved in the past, and contains considerable capabilities for continued improvement in the future. Of course the action of trade unions, besides being confined to the limits I have described, is subject to the further restriction, that it can only avail for the labourers who belong to them, and is indeed founded on the exclusion or diminution of the competition of others. They impose limitations on the number of apprentices, and prescribe a certain standard of efficiency, loosely ascertained, as a condition of membership. There can be no manner of objection to the latter measure, nor does the former, though it is manifestly liable to abuse and is sometimes vexatious in its operation, seem to be practically worked so as to diminish the labour in any particular industry beneath the due requirements of trade, or to create an unhealthy monopoly. Then, though the trade unionists gather their gains by keeping off the competition of others, it cannot be said that these others are necessarily in any worse position than they would have occupied if trade unions had never come into existence. It may even be that through the operation of custom, which will always have an influence in settling the price of labour, a certain benefit may be reflected upon them from a rise in the usual price effected by trade union agency. But in any case, it is no sound objection to an agency of social amelioration that its efficiency is only partial, for it is not so much to any single panacea, as to

the application of a multitude of partial remedies, that we can most wisely trust for the accomplishment of our great aim.

II. The second main count in the socialist indictment of the present industrial system is that it has multiplied the vicissitudes of trade, and so imposed an incurable and distressing insecurity upon the labourer's lot. The rapidity of technical transformation and the frequency of commercial crises create, it is alleged, a perpetual over-population, driving ever-increasing proportions of the labourers out of active employment into what Marx calls the industrial reserve, the hungry battalions of the half-employed or the altogether unemployed. In regard to technical transformation, the effects of machinery on the working class are now tolerably well understood. Individuals suffer in the first instance, but the class, as a whole, is eventually a great gainer. Machinery has always been the means of employing far more hands than it superseded, when it did supersede any (for it has by no means invariably done so). There is no way of "making work" like producing wealth. The increased production due to machinery cheapens the particular commodities produced by it, and thus enables the purchasers of these commodities to spend more of their income on other things, and so practically to make work for other labourers. But even in the trades into which the machinery has been imported, the effect of its introduction has been to multiply, instead of curtailing, employment. Take the textile trades—much the most important of the machine industries. Mr. Mulhall, in his "Dictionary of Statistics" (p. 338), gives the following statistics of the textile operatives in the United Kingdom at various dates:—

Year.	Men.	Women.	Children.	Total.
1835	82,000	167,000	104,000	353,000
1850	158,000	329,000	109,000	596,000
1880	232,000	543,000	201,000	976,000

Marx and others dwell much on the fact, that machinery leads frequently to the substitution of female for male labour; but the preceding table shows that while female labour has been

largely multiplied, male labour has been scarcely less so, and besides, a more extensive engagement of women is in itself no public disadvantage. For half the question of our pauperism is really the question of employment for women, it being so much more difficult to find work for unemployed women than for unemployed men; and if the course of industrial transformation opens up new occupations that are suitable for them, it is so far entirely a social gain, and no loss. No doubt, though the good accruing from industrial transformation far outweighs the evil, yet evil does accrue from it, and evil of the kind alleged, the tendency to develop local or temporary redundancies of labour. But then that is an evil with which we have never yet tried to cope, and it may probably be dealt with as effectively on the present system as on any other. Socialism would stop it by stopping the progress which it happens to accompany, and would therefore envelop society in much more serious distress than it sought to remove. In Marx's remarkable survey of English industrial history almost every conquest of modern civilization is viewed with regret; but it is manifestly idle to think of forcing society back now to a state in which there should be no producing for profit, but only for private use, no subdivision of labour, no machinery, no steam, for these are the very means without which it would be impossible for our vastly increased population to exist at all. What may be done to meet the redundancies of labour that are always with us is a difficult but pressing question which I cannot enter upon here. State provision of work—even in producing commodities which are imported from abroad, and which might therefore be produced in State workshops without hurting home producers—has many drawbacks, but the problem is one that ought to be faced, and something more must be provided for the case than workhouse and prison.

In regard to commercial crises, they are rather lessening than increasing. They may be more numerous, for trade is more extensive and ramified, but they are manifestly less violent than they used to be. The commercial and financial crises of the present century have been moderate in their effects as compared with the Darien scheme, Law's speculations in France, or the Tulip mania in the Low Countries, and under the

influence of the beneficial expansion of international commerce and the equally beneficial principle of free trade, we enjoy now an absolute immunity from the great periodical visitation of famine which was so terrible a scourge to our ancestors. Facts like these are particularly reassuring for this reason, that they are the result, partly of better acquaintance with the principles of sound commercial and financial success, and partly of the equalizing effect of international ramifications of trade, and that these are causes from which even greater things may be expected in the future, because they are themselves progressive. There is no social system that can absolutely abolish vicissitudes, because many of them depend on causes over which man has no possible control, such as the harvests of the world, and others on causes over which no single society of men has any control, such as wars; and, besides, it is possible to do a great deal more under the existing system than is at present done, to mitigate and neutralize some of their worst effects. To provide the labouring population with the security of existence, which is one of their pressing needs, a sound system of working class insurance must be devised, which shall indemnify them against all the accidents and reverses of life, including temporary loss of work as well as sickness and age, and it is not too much to hope, from the amount of attention which the subject is at present attracting, that such a system will be obtained. As far as yet appears, the scheme proposed by Professor Lujo Brentano, to which I have already referred, is, on the whole, the soundest and most satisfactory in its general principles that has been advanced.

Again, much of the instability of trade arises from the want of commercial statistics, and the consequent ignorance and darkness in which it must be conducted. More light would lessen at once the mistakes of well-meaning manufacturers and the opportunities of illegitimate and designing speculation. Socialists count all speculation illegitimate, because they fail to see that speculation, conducted in good faith, exercises a moderating influence upon the oscillations of prices, preventing them from falling so low, or rising so high, as they would otherwise do. Speculation has thus a legitimate and beneficial work to perform in the industrial system, and if it performed

its work rightly, it ought to have the opposite effect from that ascribed to it by socialists, and to conduce to the stability of trade, instead of shaking it. But unhappily an unscrupulous and fraudulent spirit too often presides over this work. Schaeffle, who is not only an eminent political economist, but has been Minister of Commerce to one of the great powers of Europe, says that when he got acquainted with the bourse, he gave up believing any longer in the economic harmonies, and declared theft to be the principle of modern European commerce. Socialists always take the bourse to be the type of capitalistic society, and the fraudulent speculator to be the type of the bourse, and however they may err in this, there is one point at any rate which it is almost impossible for them to exaggerate, and that is the mischief accruing to the whole community—and, as is usual with all general evils, to the working class more than any other—from the prevalence of unsound trading and inflated speculation. Confidence is the very quick of modern trade. The least vibration of distrust paralyzes some of its movements and depresses its circulation. Enterprise in opening new investments is indeed more and more indispensable to the vitality of modern industry, but the mischiefs of misdirected enterprise are as great as the benefits of well-directed. Illegitimate speculation is very difficult to deal with. It can never be reached by a public opinion which worships success and bows to wealth with questionless devotion. Nor is it practicable for the State to put it down by direct measures. But the State may perhaps mitigate it somewhat by helping to procure a good system of commercial statistics, for unsound speculation thrives in ignorance, and may be to some extent prevented by better knowledge. The socialist demand for commercial statistics is therefore to be approved. They would benefit everybody but the dishonest dealer. They would not only be a corrective against unsound speculation, but they would tend to smooth the conflicts between capital and labour about the rate of wages, and the working class in America press the demand on the ground of their experience of the benefits they have already derived from the Labour Statistical Bureaux established in certain of the States there. Some of our own most weighty economic

authorities are strongly in favour of a measure of this kind. Mr. Jevons, for example, says: "So essential is a knowledge of the real state of supply and demand to the smooth procedure of trade, and the real good of the community, that I conceive it would be quite legitimate to compel the publication of requisite statistics. Secrecy can only conduce to the profit of speculators who gain from great fluctuations of prices. Speculation is advantageous to the public only so far as it tends to equalize prices, and it is therefore against the public good to allow speculators to foster artificially the inequalities of prices by which they profit. The welfare of millions, both of consumers and producers, depends on an accurate knowledge of the stocks of cattle and corn, and it would therefore be no unwarrantable interference with the liberty of the subject to require any information as to the stock in hand. In Billingsgate fish-market it has been a regulation that salesmen shall fix up in a conspicuous place every morning a statement of the kind and amount of their stock; and such a regulation, whenever it could be enforced on other markets, would always be to the advantage of every one except a few traders." ("Theory of Political Economy," p. 88.)

III. The next principal charge brought by socialists against the present order of things is that it commits a signal injustice against the labouring class, by suffering the capitalists who employ them to appropriate the whole increase of value which results from the process of production, and which, as is alleged, is contributed entirely by the labour of the artizans engaged in the process. I have already exposed the fallacy of the theory of value on which this claim is founded, and I need not repeat here what for convenience sake has been stated in another place. (See chap. iii. pp. 160–6). Value is not constituted by time of labour alone, except in the case of commodities admitting of indefinite multiplication; it is constituted in all other cases by social utility; and the importance of this distinction is especially manifest in treating of the very point that comes before us here—the value of labour. Why is one kind of labour paid dearer than another? Why is an organizer of manual labour better paid than the manual labourer himself?

Why is the railway chairman better paid than the railway porter? Or why has the judge a better salary than the policeman? Is it because he exerts more labour, more socially necessary time of labour? No; the porter works as long as the chairman, and the policeman as long as the judge. Is it because more time of labour has been expended in the preparation and apprenticeship of the higher paid functionaries? No; because the railway chairman may have undergone no special training that thousands of persons with much poorer incomes have not also undergone, and the education of the judge cost no more than the education of other barristers who do not earn a twentieth part of his salary. The explanation of differences of remuneration like these is not to be found in different quantities of labour, but in different qualities of labour. One man's work is higher, rarer, more excellent, possesses, in short, more social utility than another's, and for that reason is more valuable, as value is at present constituted. It is thus manifest that the theory which declares value to be nothing but quantity of labour, nothing but time of labour, is inconsistent with some of the most obvious and important phenomena of the value of different kinds of labour. Many forms of labour are much more remunerative than others, nay, much more remunerative than many applications of capital, and the difference of remuneration is in no way whatever connected with the quantity of labour or the time of labour undergone in earning it. Socialists may perhaps answer that this *ought not* to be so; that if things were as they should be, the railway chairman, the station-master, the inspector, the guard, and the porter would be paid by the same simple standard of the duration of their labour in the service of the line—a standard which would probably reverse the present gradation of their respective salaries; but if they make that answer, they change their ground; they no longer base their claim for justice to the labourer on value *as it is constituted*, but on value *as they think it ought to be constituted*. Their theory of value would in that case not be what it pretends to be, a scientific theory of the actual constitution of value, but a utopian theory of its proper and just constitution. It would be tantamount to saying, Every man, according to our ideas of

of justice, ought to be paid according to the value of his work, and the value of his work, according to our ideas of justice, ought to be measured by the time—the socially necessary time—it occupied. But this whole argument is manifestly based on nothing better than their own arbitrary conceptions of justice, and it needs no great perspicacity to perceive that these conceptions of justice are entirely wrong. In fact, the common sense of men everywhere would unhesitatingly pronounce it unjust to requite the manager who contrives, organizes, directs, with only the same salary as the labourer who executes under his direction, because, while both may spend the same time of labour, the service rendered by the one is much more *valuable* than the service rendered by the other. Let every man have according to his work, if you will; but then, in measuring work, the true standard of its value is not its duration but its social utility, the social importance of the service it is calculated to render.

This criterion of social utility is the principle that ought to guide us in answering the question that is really raised by the particular socialist charge now under consideration, the question of the justice of interest on capital. Interest is just because capital is socially useful, and because the owner of capital, in applying it to productive purposes, renders a service to society which is valuable in the measure of its social utility. Of course the State might perform this service itself. It might compulsorily abstract from the produce of each year a sufficient portion to constitute the raw materials and instruments of future production; but, as a matter of fact, the State does not do so. It leaves the service to be rendered spontaneously by private persons out of their private means. The service rendered by these persons to production is as indispensable as the service rendered by the labourers, and the justice of interest stands on exactly the same ground as the justice of wages. The labourer cannot produce by labour alone, without materials and implements, any more than the capitalist can produce by materials and implements alone, without labour; and the possessor of capital needs a reward to induce him to advance materials and implements just as much as the labourer needs a reward to induce him to labour. Nobody will set aside

a portion of his property to provide for future production if he is to reap no advantage from doing so, and if the produce will be distributed in exactly the same way whether he sets it apart or not. It would be as unjust as it would be suicidal to withhold the recompense to which this service is entitled, and without which nobody would do it.

The real question for socialists to answer is, not whether it is just to pay private capitalists for the service society accepts at their hands, but whether society can perform this service better, or more economically, without them; whether, in short, the abolition of interest would conduce to any real saving in the end? This practical question, crucial though it be, is one, however, to which they seldom address themselves—they prefer expatiating in cloudier regions. The question may not, with our present experience, admit of a definitive and authoritative answer; but the probabilities all point to the conclusion that capitalistic management of production, costly as it may seem to be, is really cheaper than that by which socialism would supersede it. Capitalistic management is proverbially unrivalled for two qualities in which bureaucratic management is as proverbially deficient—economy and enterprise. Socialists complain much of the hosts of middlemen who are nourished on the present system, the heartless parasites who eat the bread of society without doing a hand's turn of real good; but their own plan would multiply vastly the number of unnecessary intermediaries depending on industry. Under the *régime* of the capitalist there are, we may feel sure, no useless clerks or overseers, for he has the strongest personal interest in working his business as economically as possible. But with the socialist mandarinate, the interest lies the other way, and the tendency of the head officials would be to multiply their subordinates and assistants, so that by abolishing the capitalist, society would not by any means have got rid of middlemen and parasites. There would be as much waste of labour as before. Lord Brassey is certainly right in attributing the industrial superiority of Great Britian as much to the administrative skill and economy of her employers as to the efficiency of her labourers. Individual capitalists are more enterprising, as well as more economical managers, than

boards. Their keenly interested eyes and ears are ever on the watch for opportunities, for improvements, for new openings; and having to consult nothing but their own judgment, they are much quicker in adapting themselves to situations and taking advantage of turns of trade. They will undertake risks that a board would not agree to, and they will have entered the field and established a footing long before a manager can get his directors to stir a finger. Now this habit of being always on the alert for new extensions, and new processes, and new investments, is of the utmost value to a progressive community, and it cannot be found to such purpose anywhere as with the capitalistic despot the socialists denounce, whose zeal and judgment are alike sharpened by his hope of personal gain and risk of personal loss. Studnitz informs us that in 1878 he found the mills of New York standing idle, but those of Philadelphia all going, and his explanation is that the former were under joint-stock management and the latter belonged to private owners. The present tendency towards a multiplication of joint-stock companies is a perfectly good one, because, for one thing, it helps to a better distribution of wealth; but society would suffer if this tendency were to be carried so far as to supersede independent private enterprise altogether, and if joint-stock companies were to become the only form of conducting business. And if private enterprise is more advantageous than joint-stock management, because it has more initiative and adaptability, so joint-stock management is for the same reason more advantageous than the official centralized management of all industry.*

If there is any force in these considerations, it seems likely that we should make a bad bargain, if we dismissed our capitalists and private employers, in the expectation that we could do the work more cheaply by our own public administration. And the mistake would be especially disappointing for this reason, that in the ordinary progress of society in wealth and security the rate of interest always tends to fall, and that various forces are already in operation that may not unreasonably be expected to reduce the rate of profits as well. Profits,

* More will be found on this subject in the chapter on "State Socialism," under the sub-heading "State Socialism and State Management."

as distinguished from interest, are the earnings of management, and the minimum which employers will be content to take is at present largely determined by the entirely wrong principle that their amount ought to bear a direct proportion to the amount of capital invested in the business. In spite of competition, customary standards of this kind are very influential in the adjustment of such matters; they are the usual criteria of what are called fair profits and fair wages; they always carry with them strong persuasives to acquiescence; and then, from their very nature, they are very dependent on public opinion. I am not sanguine enough to believe with the American economist, President F. A. Walker, that employers will ever come to be content with no other reward than the gratification of power in the management of a great industrial undertaking; but there is nothing extravagant in expecting that, through the influence of public opinion and the constant pressure of trade unions, a fairer standard of profits may be generally adopted, with the natural consequence of allowing a rise of wages.

But whether these expectations are well grounded or no, one thing is plain,—the only thing really material to the precise issue at present before us,—and that is, that while interest and profits may be both unfair in amount, just as rent may be, or wages, or judicial penalties, neither of them is unjust in essence, because they are merely particular forms of remunerating particular services, which are now actually performed by the persons who receive the remuneration, and which, under the socialist scheme, would have to be performed—and in all probability neither so well nor so cheaply—by salaried functionaries.

With these remarks, we may dismiss the specific charge of injustice brought by socialists against the present order of things, and the specific claim of right for the labouring class which they prefer. Let us now submit their proposals to a more practical and decisive test—will they or will they not realize the legitimate aspirations, the ideal of the working class? Does socialism offer a better guarantee for the realization of that ideal than the existing economy? I believe it does not.

What is the ideal of the working class? It may be said to be that they shall share *pari passu* in the progressive conquests of civilization, and grow in comfort and refinement of life as other classes of the community have done. Now this involves two things—first, progress; second, diffusion of progress; and socialism is so intent on the second that it fails to see how completely it would cut the springs of the first. Some of its adherents do assert that production would be increased and progress accelerated under a socialistic economy, but they offer nothing in support of the assertion, and certainly our past experience of human nature would lead us to expect precisely the opposite result. The incentives and energy of production would be relaxed. I have already spoken of the loss that would probably be sustained in exchanging the interested zeal and keen eye of the responsible capitalist employer for the perfunctory administration of a State officer. A like loss would be suffered from lightening the responsibility of the labourers and lessening their power of acquisition. Under a socialist *régime* they cannot by any merit acquire more property than they enjoy in daily use, and they cannot by any fault fail to possess that. Now socialist labourers are not supposed, any more than socialist officials, to be angels from heaven; they are to carry on the work of society with the ordinary human nature which we at present possess; and in circumstances like those just described, unstirred either by hope or fear, our ordinary human nature would undoubtedly take its ease and bask contentedly in the kind providence of the State which relieved it of all necessity for taking thought or pains. The inevitable result would be a great diminution of production, which, with a rapidly increasing population (and socialism generally scouts the idea of restraining it), would soon prove seriously embarrassing, and could only be obviated by a resort to the lash; in a word, by a return to industrial slavery. Now, with a lessening production, progress is clearly impossible, and the more evenly the produce was distributed, the more certain would be the general decline.

Socialists ignore the civilizing value of private property and inheritance, because they think of property only as a means of immediate enjoyment, and not as a means of progress and

moral development. They would allow private property only in what is sometimes termed consumers' wealth. You might still own your clothes, or even purchase your house and garden. But producers' wealth, they hold, should be common property, and neither be owned nor inherited by individuals. If this theory were to be enforced, it would be fatal to progress. Private property has all along been a great factor in civilization, but the private property that has been so has been much more producers' than consumers'. Consumers' wealth is a limited instrument of enjoyment; producers' is a power of immense capability in the hands of the competent. Socialists are really more individualistic than their opponents in the view they take of the function of property. They look upon it purely as a means for gratifying the desires of individuals, and ignore the immense social value it possesses as a nurse of the industrial virtues and an agency in the progressive development of society from generation to generation.

There is still another and even more important spring of progress that would be stifled by socialism—freedom. Freedom is, of course, a direct and integral element in any worthy human ideal, for it is an indispensable condition for individual development, but here it comes into consideration as an equally indispensable condition of social progress. Political philosophers, like W. von Humboldt and J. S. Mill, who have pled strongly for the widest possible extension of individual freedom, have made their plea in the interests of society itself. They looked on individuality as the living seed of progress; without individuality no variation of type or differentiation of function would be possible; and without freedom there could be no individuality. Under a *régime* of socialism freedom would be choked. Take, for example, a point of great importance both for personal and for social development, the choice of occupations. Socialism promises a free choice of occupations; but that is vain, for the relative numbers that are now required in any particular occupation are necessarily determined by the demands of consumers for the particular commodity the occupation in question sets itself to supply. Freedom of choice is, therefore, limited at present by natural conditions, which cause no murmuring; but these natural

conditions would still exist under the socialist *régime*, and yet they would perforce appear in the guise of legal and artificial restrictions. It would be the choice of the State that would determine who should enter the more desirable occupations, and not the choice of the individuals themselves. The accepted would seem favourites; the rejected would complain of tyranny and wrong. Selection could not be made by competitive examination without treason against the principles of a socialist state, nor by lot without a sacrifice of efficiency. The same difficulties would attend the distribution of the fertile and the poor soils. Even consumption would not escape State inquisition and guidance, for an economy that pretended to do away with commercial vicissitudes must take care that a change of fashion does not extinguish a particular industry by superseding the articles it produces. Socialism would introduce, indeed, the most vexatious and all-encompassing absolutist government ever invented. It would impose on its central executive functions that would require omniscience for their discharge, and an authority so excessive that E. von Hartmann is probably right in thinking that obedience could only be secured by fabricating for it the illusion of a Divine origin and reinforcing loyalty by superstition. The extensive centralized authority given to government in France has undoubtedly been one of the main causes of the instability of the political system of that State, and a socialist rule, with its vastly greater prerogatives, could only maintain its ascendancy by being fabulously hedged with the divinity of a Grand Lama. A military despotism would be at least more consistent with modern conditions; but a military despotism socialists abjure, and yet believe that they can exact from free and equal citizens an almost animal submission to an authority they elect themselves.

Progress is only possible on the basis of industrial freedom and private property; and in the socialist controversy there is no question about the necessity of progress. That is an assumption common to both sides; socialists of the present day acknowledge it as implicitly as the general opinion of the time. They are no sharers in Mill's admiration for the stationary state; they utterly ridicule his Malthusian horror of a pro-

gressive population; and, profoundly impressed as they are with the vital need for a better distribution of wealth, they hesitate to sacrifice for it an increasing production. On the contrary, they claim for their system that it would stimulate progress, as well as spread its blessings, better than the system that exists, and Lassalle at all events frankly declared that unless socialism increased production, it would not be economically justifiable. But tried by this test, we have seen reason to find it wanting. The problem to which it addresses itself, the institution of a sound and healthy distribution of wealth, is probably the greatest social problem of the time; but socialism fails to solve it, because no distribution can be sound and healthy which destroys the conditions of further progress. The true solution must adhere to the lines of the present industrial system, the lines of industrial freedom and private property.

It is one thing, however, to say that the principles of industrial freedom and private property are essential to a healthy distribution, and it is quite another thing to hold that the distribution is then healthiest and most perfect when these principles enjoy the most absolute and unconditional operation. If socialism errs by suppressing them, *laissez-faire* runs into the opposite error of giving them unlimited authority. *Laissez-faire* is perhaps hardly any longer a living faith. But even when men still believed in the economic harmonies, they always taught that the best and justest distribution of wealth was that which issued out of the free competition of individuals, and that if this distribution ever turned out to be really faulty or partial, it was only because the competition was not free or perfect enough; because some of the competitors were not sufficiently enlightened as compared with others, or not sufficiently mobile with their labour or capital; in other words, because the competition was not conducted on equal terms. This theory manifestly makes the justice of the distribution effected by free competition to depend on the false assumption of the natural equality of the competitors, and therefore as manifestly implies that unless men are equal in talents and opportunities, the system of unlimited freedom may produce a distribution that is seriously unjust. *Laissez-*

faire thus had a germ of socialism in its being, and even when its ascendancy seemed to be highest, it was already being practically replaced by a larger and more energetic theory of social politics which imposed on the State the duty of correcting many of the evils of the present distribution of wealth, and promoting, if not equality of all conditions, yet certainly amelioration of the inferior conditions. Instead of maintaining equal freedom for weak and strong, the State was to take the part of the weak against the strong, in order to secure to all citizens a real participation in progressive civilization. It is said truly enough that the effect of such interferences is not to destroy liberty, but to fulfil it, because, apart from them, the labour contract is no more a free contract for labourers living from hand to mouth than the capitulation of a beleaguered garrison when their provisions have run down is a free capitulation, and the legal intervention is necessary in order to make the men first really free. Legal freedom is no more an end in itself than legal intervention; both are merely means of giving men real freedom and enabling them effectually to work out their complete and normal vocation as human beings. I shall treat more fully of the true theory of social politics in a subsequent chapter on State Socialism; but here, in connection with its relation to industrial freedom, it will be enough to say that the restraints it proposes are neither meant nor calculated to impair real freedom, and that it is separated from socialism by its constant care to develop rather than supersede individual responsibility, to facilitate the spread of private property rather than suppress it, and to remove obstacles that are making men's own efforts a nullity rather than to substitute for those efforts the providence of the State.

If, then, there is any truth in these considerations—if the general acquisition of private property, and not its universal abolition, is the demand of the working-class ideal—then the business of social reform at present ought to be to facilitate the acquisition of private property; to multiply the opportunities of industrial investment open to the labouring classes, and to devise means for credit, for saving, for insurance, and the like. While, for reasons already explained, I have been

unable to agree with Mr. Cairnes' despondent view of the economic position of the wage-paid labourers, I am entirely at one with him in conceiving the surest means to their progressive amelioration to lie in participation, by one means or another, in industrial capital. Much good may be done by a wider extension of trade unions, and a better organization of working class insurance; but the labourers must not rest content till they have found their way, under the new conditions of modern trade, to become capitalists as well as labourers. Co-operative production seems the most obvious solution of this problem; but it is a mischievous, though a common mistake, to regard it as the only solution. The fortunes of the working class are not all embarked in one bottom, and their salvation may be expected to fulfil itself in many ways. I cannot share in the lamentation sometimes made because some of the earlier productive associations have departed from the strict and original form of co-operation, under which all the shareholders in the business were labourers and all the labourers shareholders. In the present situation of affairs, variety of experiment is desirable, for only out of many various experiments can we eventually discover which are most suitable to the conditions and fittest to survive. Co-operative production would perhaps have been further advanced to-day, if co-operators had not been so faithful in their idolatry of their original ideal, and had fostered instead of discouraging variations of type, which may yet justify their superiority by persisting and multiplying. As it is, co-operative production has not been such a complete failure as it is sometimes represented; it can show at least a few very signal tokens of success and great promise. It is often declared to be inapplicable to the great industries, because they require more capital and better management than co-operative working men are usually able to furnish. But in the town and neighbourhood of Oldham there are 100 co-operative spinning mills, with a capital of close on £8,000,000. They are managed entirely by working men, their capital is contributed in £5 shares by working men, and they have during the last ten years paid dividends varying from 10 to 45 per cent. These are joint-stock companies rather than co-operative societies in the stricter sense; but they are

joint-stock companies of working men, and they furnish to working men in an effective and successful way that participation in the industrial capital of the country which is really what is wanted. The Oldham workman prefers to hold shares in a different mill from that he works in, because he feels himself more free to exercise his voice as a shareholder there, and he prefers to carry his labour to the mill where he gets the best wages and the best treatment, without being obliged to change his investment when he changes his workshop. The advantage of the Oldham system over the stricter co-operative type is therefore the old advantage of freedom. It suits the English character better, and the only wonder is why it is still, after more than sixteen years' successful experience, confined exclusively to a single locality. It has been stated that there are a thousand operatives working at these mills who are worth £1000 to £2000, and besides the mills, there are co-operative stores, building societies, and other working-class companies in Oldham, with a combined capital of £3,500,000. In all these ways the zone of participators in property broadens, and hope and stimulus are introduced into the labourer's life. The truth seems to be that the great need of the working man is not so much money to invest as opportunity and motive for investment. The amount lodged in savings banks, the amount raised by trade unions, the amount wasted in drink, the amount wasted in inefficient household economy, which might be much lessened by better instruction in the arts of cookery and household management—all show that large numbers of the working class possess means at their disposal to constitute at least the beginnings of their emancipation, if good opportunities were open to them of using it advantageously in productive enterprise. Co-operation and profit-sharing are not the only means by which this might be realized. Private firms might initiate a practice of reserving a certain amount of their capital to constitute a kind of stock for their workmen to invest their savings in, under—if that were legalized—limited liability. One advantage of this plan over the ordinary industrial partnership would be, that while, like it, it would enhance the workmen's zeal in their work, it could not possibly have the effect of reducing wages, because

the stock would be a free investment, and would probably not be taken up by all or by more than a majority of the workmen. Again, with a reform of our land laws, small investments in land will certainly be facilitated, especially among the agricultural class.

Socialists would no doubt condemn all such investments for the same reason as they generally condemn the co-operative movement, because they would tend to create "a new class with one foot in the camp of the *bourgeoisie* and the other in the camp of the proletariat." But that is precisely one of their chief advantages, and in making this objection socialists only betray how completely they ignore the operation of those portions of human nature that are the real forces and factors of social progress. It is only by linking a lower class to a higher that you can raise the level of the whole, and every pathway the working class makes into a comfortable equality with the lower *bourgeoisie* will constitute at once an opportunity and a spur for others to follow them, which will exercise an elevating effect upon the entire body. If it were generally open to all the labouring classes to begin by being wage-labourers and end by sharing in some degree in the industrial capital of the country, this would raise the level of the whole —of those who after all remained wage-labourers still, as well as of those who succeeded in gaining a better competency. It would give them all something to keep looking forward to during their working life, something to save for and strive after, and a higher standard of comfort would get diffused and considered necessary in the class generally through the example of the better off. For the more comfortably situated working men—whether they have won their comfort by co-operation or otherwise—have not passed out of their class. They have, as is alleged, one foot in the camp of the proletariat still. They live and move and have their being among working people, and constitute by their presence and social connections a stimulating and elevating agency. It is through connections like these that the ideas of comfort and culture that prevail among an upper class permeate through to a lower, and thus elevate the general standard of living upon which the level of wages so much depends. Even the minor

inequalities in the ranks of the working class are not without their use in quickening their exertions to maintain the standard of respectability which they have won or inherited. Economists were not wrong in ascribing so much influence as they always have done to men's tenacity in adhering to their customary standard of life. Many striking illustrations of its beneficial operation might be mentioned. I select one, because it concerns an aspect of the condition of the labouring classes of this country that is at present attracting much attention—their house accommodation. In all our large cities, the house accommodation of the working class has hitherto been about as bad as bad could be, but there is one singular exception—it is Sheffield. Porter drew attention to the fact many years ago. "The town itself," he says, "is ill built and dirty beyond the usual condition of English towns, but it is the custom for each family among the labouring population to occupy a separate dwelling, the rooms of which are furnished in a very comfortable manner. The floors are carpeted, and the tables are usually of mahogany. Chests of drawers of the same material are commonly seen, and so in many cases is a clock also, the possession of which article of furniture has often been pointed out as the certain indication of prosperity and of personal responsibility on the part of the working man." ("Progress of the Nation," p. 523.) The same condition of things still prevails, for at the meeting of the British Association in Sheffield in 1879 Dr. Hime read a paper on the vital statistics of the town, in which he says:—"Although handsome public buildings are not a prominent feature in the town, still there are few towns in England where the great bulk of the population is so well provided for in the way of domestic architecture. Overcrowding is very rare; cellar dwellings are unknown; and almost every family has an entire house, a most important agent in securing physical as well as moral health." (Transactions of British Association, 1879.) Now this is a fact of the highest interest, and we naturally ask what peculiarity there is in the trade or circumstances of Sheffield, in the first place, to create such an exceptional excellence in the standard of working class house accommodation, and, in the next place, to maintain it. One thing is certain: it is not

due to better wages. There are trades in Sheffield very highly paid, but the labourers belonging to them are described by the anonymous author of "An Inquiry into the Moral, Social, and Intellectual Condition of the Industrious Classes of Sheffield" (London, 1839), as being much less comfortable in their circumstances than the others. This writer speaks of some trades in which "the workmen are steady, intelligent, and orderly, seldom the recipients of charity or parochial relief. They depend on their own exertions for the respectable maintenance of their families, and when trade is depressed they strive to live on diminished wages, or fall back on resources secured by industry and economy. This healthy and vigorous condition is not attributable to high wages. The workmen in the edge-tool trade are extravagantly remunerated, and yet, as a body, they are perhaps as irregular and dissipated in their habits as any in the town. Their families, in time of good trade, feel few of the advantages of prosperity, and when labour is little in demand, they are the first to need the aid of charity. These differences are familiar to the most superficial observer of the social and moral condition of the workmen in the several branches" (p. 14). But the same writer mentions a peculiarity in the trade of Sheffield which, he says, marks it off from every other manufacturing town, and that peculiarity may serve to provide us with the explanation we are seeking. "With us," he says, "the distinctions between masters and men are not always well marked. Persons are to a great extent both. The transition from the one to the other is easy and frequent in those branches where the tools are few and simple, and the capital required extremely small, which applies to the whole of the cutlery department." "The facility with which men become masters causes extraordinary competition, and its inevitable result, insufficient remuneration." "Here merchants and manufacturers cannot become princes. . . . There is not sufficient play for large fortunes. The making of fortunes is with us a slow process. It is, however, far from being partial. . . . The longer period required in the making of them allows the mind time to adapt itself to its improved circumstances, not merely the speculative and money-getting part of the understanding, but the whole of its social, moral,

and intellectual powers, without which means are a questionable good. Wealth and intelligence are accordingly with us more generally associated than in towns where immense fortunes are rapidly made. In the latter case, there is no time for adaptation, nor is it deemed necessary or at all important, where money is the measure by which all things are estimated, Another evil dependent on this sudden elevation in life is the great distance which is immediately placed between employer and employed" (p. 15). Class and class are thus better knit together in Sheffield than elsewhere. The exceptional facility of becoming masters seems to be the particular instrumentality which has brought down the ideas and habits of comfort of the *bourgeoisie* and spread them among the working class, and which has always prevented the great mass of the latter from sinking contentedly into a lower general standard of life. It introduced among them that social ambition, which is the most effective spur to progress, and the best preservative against decline. The fact that the exceptionally good house accommodation which prevails among the labouring population of Sheffield is not owing to exceptional, or even at all superior, wages, is one of much hope and encouragement. What is possible in Sheffield cannot be impossible elsewhere; and what is possible in the matter of house accommodation cannot be hopeless in other branches of consumption.

I shall be told that in all this I am only repeating the foolish idea of the French princess, who heard the people complain they could not get bread, and asked why then they did not buy cake. Where combinations are possible, it will be said, investments may be also possible; but the great majority of the working class are not in a position to combine, and it is mere mockery to tell people to save and invest who can hardly contrive to cover their backs. To this I reply, that there is no reason to assume that trade unions have reached the utmost extension of which they are susceptible, or to despair of their introduction into the hitherto unorganized trades. It was only lately common to deny the possibility of combination among agricultural labourers, and yet, scattered as they are, they have shown themselves not only able to combine, but to raise wages effectively by means of their combinations. We have now

very powerful unions of unskilled day labourers, and a beginning has been made of an efficient organization even among needlewomen. It is true that, even when organization has spoken its last word, much of the distressing poverty that now exists would probably still remain, because we must not disguise from ourselves the fact that much of that poverty is the direct fruit of vice, disease, or indolence. But socialism could not cope with this mass of misery any better than the present system, for men don't drink and loaf and enter into improvident marriages or illicit alliances because they happen to be paid for their labour by contract with a capitalist instead of valuation by a State officer, and they certainly would not cease doing any of these things because an indulgent State undertook to save them from the natural penalties of doing them.

CHAPTER XI.

STATE SOCIALISM.

I. *State Socialism and English Economics.*

STATE socialism has been described by M. Léon Say as a German philosophy which was natural enough to a people with the political history and habits of the Germans, but which, in his opinion, was ill calculated to cross the French frontier, and was contrary to the very nature of the Anglo-Saxons. Sovereign and trader may be incompatible occupations, as Adam Smith asserts, but in Germany, at least, they have never seemed so. There, Governments have always been accustomed to enter very considerably into trade and manufactures, partly to provide the public revenue, partly to supply deficiencies of private enterprise, and partly, within more recent times, for reasons of a so-called "strategic" order, connected with the defence or consolidation of the new Empire. The German States possess, every one of them, more Crown lands and forests, in proportion to their size, than any other countries in Europe, some of them, indeed, being able to meet half their public expenditure from this source alone; and besides their territorial domain, most of them have an even more extensive industrial domain of State mines, or State breweries, or State banks, or State foundries, or State potteries, or State railways, and their rulers are still projecting fresh conquests in the same direction by means of brandy and tobacco monopolies. But in England things stand far otherwise. She has sold off most of her Crown lands, and is slowly parting with, rather than adding to, the remainder. She abolished State monopolies in the days of the Stuarts, as instruments of political oppression, and she has abandoned State bounties more recently as nurses of commercial incompetency. She owes her whole industrial

greatness, her manufactures, her banks, her shipping, her railways, to some extent her very colonial possessions, to the unassisted energy of her private citizens. England has been reared on the principle of freedom, and could never be brought, M. Say might not unreasonably conclude, to espouse the opposite principle of State socialism, unless the national character underwent a radical change. And yet, while he was still writing, he was confounded to see signs, as he thought, of this alien philosophy obtaining, not simply an asylum, but really an ascendancy in this country. It appeared to M. Say to be striking every whit as strong a root in our soil and climate as it had done in its native habitat, and he is disposed to join in the alarm, then recently sounded at Edinburgh by Mr. Goschen, that the soil and climate had changed, that the whole policy, opinion, and feeling of the English people with respect to the intervention of the public authority had undergone a revolution.

Mr. Goschen had, in raising the alarm, shown some perplexity how far to condemn the change and how far to praise it, but he was quite clear upon its reality, and was possessed by a most anxious sense of its magnitude and gravity. "We cannot," said he, "see universal State action enthroned as a principle of government without misgiving." Mr. Herbert Spencer took up the cry with more vehemence, declaring that the age of British freedom was gone, and warning us to prepare for "the coming slavery." M. de Laveleye, who is unquestionably one of the most careful and competent foreign observers of our affairs, followed Mr. Spencer, and although, being himself a State socialist, he welcomed this alleged new era as much as Mr. Spencer deprecated it, he gave substantially the same description of the facts; he said, England, once so jealous for liberty, was now running ahead of all other nations on the career of State socialism. And that seems to have become an established impression both at home and abroad. The French Academy of Moral and Political Sciences has devoted several successive sittings to the subject; the eminent German economist, Professor Nasse, has discussed it—and with much excellent discrimination—in an article on the decline of economic individualism in England; and it is now the current assumption of the journals and of popular conversation in this

country, that a profound change has come over the spirit of English politics in the course of the present generation—a change from the old trust in liberty to a new trust in State regulation, and from the French doctrine of *laissez-faire* to the German doctrine of State socialism.

But this assumption, notwithstanding the currency it has obtained and the distinguished authorities by whom it is supported, is in reality exaggerated and undiscriminating. While marking the growing frequency of Government interventions, it makes no attempt to distinguish between interventions of one kind and interventions of another kind, and it utterly fails to recognise that English opinion—whether exhibited in legislative work or economic writings—was not dominated by the principle of *laissez-faire* in the past any more than in the present, but that it really has all along obeyed a fairly well-defined positive doctrine of social politics, which gave the State a considerable concurrent *rôle* in the social and industrial development of the community. The increasing frequency of Government interventions is in itself a simple and unavoidable concomitant of the growth of society. With the rapid transformations of modern industrial life, the increase and concentration of population, and the general spread of enlightenment, we cannot expect to retain the political or legislative inactivity of stationary ages. As Mr. Hearn remarks, "All the volumes of the statutes, from their beginning under Henry III. to the close of the reign of George II., do not equal the quantity of legislative work done in a decade of any subsequent reign." ("Theory of Legal Duties and Rights," p. 21.) The process has been continuous and progressive, and it suffered no interruption in the period which is usually supposed to have been peculiarly sacred to *laissez-faire*. On the contrary, that period will be found to exceed the period that went before it in legislative activity, exactly as it has in turn been itself exceeded by our own time. On any theory of the State's functions, an increase in the number of laws and regulations was inevitable; it was only part and portion of the natural growth of things; but such an increase affords no evidence, not even a presumption, of any change in the principles by which legislation is governed, or in the purposes or functions for which the power

of the State is habitually invoked. A mere growth of work is not a multiplication of functions; to get a result, we must first analyze the work done and discriminate this from that.

Now, in the first place, when compared with other nations, England has been doing singularly little in the direction—the distinctively socialistic direction—of multiplying State industries and enlarging the public property in the means of production. Municipalities, indeed, have widened their industrial domain considerably; it has become common for them to take into their own hands things like the gas and water supply of the community which would in any case be monopolies, and their management, being exposed to an extremely effective local opinion, is generally very advantageous. But while local authorities have done so much, the central Government has held back. Many new industries have come into being during the present reign, but we have nationalized none of them except the telegraphs. We have added to the Post-Office the departments of the Savings Bank and the Parcels Post; we have, for purely military reasons, extended our national dockyards and arms factories since the Crimean war, but without thereby enhancing national confidence in Government management; we have, for diplomatic purposes, bought shares in the Suez Canal; we have undertaken a few small jobs of testing and stamping, such as the branding of herrings; but we are now the only European nation that has no State railway; we have refrained from nationalizing the telephones, though legally entitled to do so; and we very rarely give subventions to private enterprises. This is much less the effect of deliberate political conviction than the natural fruit of the character and circumstances of the people, of their powerful private resources and those habits of commercial association which M. Chevalier speaks of with so much friendly envy, complaining that his own countrymen could never be a great industrial nation because they had no taste for acquiring them. In the English colonies, where capital is more scarce, Government is required to do very much more; most of them have State railways, and some—New Zealand, for instance—State insurance offices for fire and life. These colonial experiments will have great weight with the English public in settling the problem of Government

management under a democracy, and if they prove successful, will undoubtedly influence opinion at home to follow their example; but as things are at present, there is no appearance of any great body of English opinion moving in that direction.

But while England has lagged behind other nations in this particular class of Government intervention, there is another class in which she has undoubtedly run far before them all. If we have not been multiplying State industries, we have been very active in extending and establishing popular rights, by means of new laws, new administrative regulations, or new systems of industrial police. In fact, the greater part of our recent social legislation has been of this order, and it is of that legislation M. de Laveleye is thinking when he says England is taking the lead of the nations in the career of State socialism. But that is nothing new; if we are in advance of other nations in establishing popular rights to-day, we have been in advance of them in that work for centuries already. That peculiarity also has its roots in our national history and character, and is no upstart fashion of the hour. Now, without raising the question whether the rights which our recent social legislation has seen fit to establish, are in all cases and respects rights that ought to have been established, it is sufficient for our present purpose to observe that at least this is obviously a very different class of intervention from the last, because if it does not belong to, it is certainly closely allied with, those primary duties which are everywhere included among the necessary functions of all government, the protection of the citizen from force and fraud. To protect a right, you must first establish it; you must first recognise it, define its scope, and invest it with the sanction of authority. With the progress of society fresh perils emerge and fresh protections must be devised; the old legal right needs to be reconstructed to meet the new situation, or a new right must be created hitherto unknown perhaps, unless by analogy, to the law. But even here the novelty lies, not in the principle—for all right is a protection of the weak, or ought to be so—but in the situation alone; in the rise of the factory system, which called for the Factory Acts; in the growth of large towns, which called for Health and Dwellings Acts; in the extension of joint-stock companies,

which called for the Limited Liability Acts; in the monopoly of railway transportation, which called for the regulation of rates; or in the spread of scientific agriculture, which required the constitution of a new sort of property, the property of a tenant-farmer in his own unexhausted improvements.

This peculiarity of the industrial and social legislation of England has not escaped the acute intelligence of Mr. Goschen. Mistrustful as he is of Government intervention, Mr. Goschen observes with satisfaction that the great majority of recent Government interventions in England have been undertaken for moral rather than economic ends. After quoting Mr. Thorold Rogers' remark, that these interventions generally had the good economic aim of preventing the waste of national resources, he says: "But I believe that certainly in the case of the Factory Acts, and to a great extent in the case of the Education Acts, it was a moral rather than an economic influence—the conscientious feeling of what was right rather than the intellectual feeling of ultimate material gain — it was the public imagination touched by obligations of our higher nature — which supplied the tremendous motive-power for passing laws which put the State and its inspectors in the place of father or mother as guardians of a child's education, labour, and health." ("Addresses," p. 62.)

The State interfered not because the child had a certain capital value as an instrument of future production which it would be imprudent to lose, but because the child had certain rights —certain broad moral claims—as a human being which the parents' natural authority must not be suffered to violate or endanger, and which the State, as the supreme protector of all rights, really lay under a simple moral obligation to secure. Reforms of this character are naturally inspired by moral influences, by sentiments of justice or of humanity, by a feeling that wrong is being done to a class of the community who are placed in a situation of comparative weakness, inasmuch as they are deprived—whether through the force of circumstances or the selfish neglect of their superiors—of what public opinion recognises to be essential conditions of normal human existence. Now, most of the legislation which has led Mr. Goschen to declare that universal State action is now enthroned in England

has belonged to this order. It has been guided by ethical and not by economic considerations. It has been employed mainly in readjusting rights, in establishing fresh securities for just dealing and humane living; but it has been very chary of following Continental countries in nationalizing industries. When therefore Mr. Spencer tells M. de Laveleye that the reason why England is extending the functions of her Government so much more than other nations "is obviously because there is great scope for the further extension of them here, while abroad there is little scope for the further extension of them," his explanation is singularly inappropriate. England has not been extending the functions of Government all round, but she has moved in the direction where she had less scope to move, and has stood still in the direction where she had more scope to move than other countries. And it is important to keep this distinction in mind when we hear it so often stated in too general terms that we have discarded our old belief in individual liberty and set up "universal State action" in its place.

But those who complain of England having broken off from her old moorings, not only exaggerate her leanings to authority in the present, but they also ignore her concessions to authority in the past. English statesmen and economists have never entertained the rigid aversion to Government interference that is vulgarly attributed to them, but with all their profound belief in individual liberty they have always reserved for the Government a concurrent sphere of social and economic activity —what may even be designated a specific social and economic mission. A few words may be usefully devoted to this English doctrine of social politics here, not merely because they may serve to dispel a prevailing error, but because they will furnish a good vantage-ground for seizing and judging of a principle of government which is to-day in every mouth, but unfortunately bears in every mouth a different meaning—the principle of State socialism.

It is commonly believed that the English doctrine of social politics is the doctrine of *laissez-faire*, and our economists are continually reviled as if they sought to leave the world to the play of self-interest and competition, unchecked by any ideas

of social justice or individual human right. But in truth the doctrine of *laissez-faire* has never been held by any English thinker, unless, perhaps, Mr. Herbert Spencer. Mr. Spencer's first work, "Social Statics," was an exposition of the theory that the end of all government was the liberty of the individual, the realization for every citizen of the greatest amount of liberty it was possible for him to enjoy without interfering with the corresponding claims of his fellow-citizens. The individual had only one right—the right to equal freedom with everybody else, and the State had only one duty—the duty of protecting that right against violence and fraud. It could not stir beyond that task without treading on the right of some one, and therefore it ought not to stir at all. It had nothing to do with health, or religion, or morals, or education, or relief of distress, or public convenience of any sort, except to leave them sternly alone. It must, of course, renounce the thought of bounties and protective duties, but it must also give up marking plate, minting coin, and stamping butter; it must take no part in building harbours or lighthouses or roads or canals; and even a town council cannot without offence undertake to pave or clean or light the streets under its jurisdiction. It is only fair to say that Mr. Spencer refuses to be bound now by every detail of his youthful theory, but he has repeated the substance of it in his recent work, "The Man *versus* The State," which is written to prove that the only thing we want from the State is protection, and that the protection we want most of late is protection against our protector.

This theory is certainly about as extreme a development of individualism as could well be entertained; and though it has been even distanced in one or two points by Wilhelm von Humboldt—who objected, for example, to marriage laws *—no

* It is only fair to this eminent man to remember that his mature opinions must not be looked for in his essay, "Ideen zu einem Versuch die Gränzen der Wirksamkeit des Staats zu bestimmen," which was written in his early youth, and never published until after its author's death. Although in this work he condemns all State education, he lived to be a famous Minister of Education himself, and to take a great part in establishing the Prussian system of public instruction.

important English writer has ventured near it. The description of the State's business as the business of protecting the citizens from force and fraud, has indeed been familiar in our literature since the days of Locke, and isolated passages may be cited from the works of various political thinkers, which, if taken by themselves, would seem to deny to the State any right to act except for purposes of self-protection. John Stuart Mill himself speaks sometimes in that way, although we know, from the chapter he devotes to the subject of Government interference in his "Principles of Political Economy," that he really assigned to the State much wider functions. When we examine the writings of English economists and statesmen, and the principles they employ in the discussion of the social and industrial questions of their time, it seems truly strange how they ever came to be credited with any scruple on ground of principle to invoke the power of the State for the solution of such questions when that seemed to them likely to prove of effectual assistance.

The social doctrine which has prevailed in England for the last century is "the simple and obvious system of natural liberty" taught by Adam Smith; but the simple and obvious system of natural liberty is a very different thing from the system of *laissez-faire* with which it is so commonly confounded. Its main principle, it is true, is this: "Every man," says Smith, "as long as he does not violate the laws of justice, is left perfectly free to pursue his own interest his own way, and to bring both his industry and capital into competition with those of any other man or order of men. The Sovereign is completely discharged from a duty, in the attempting to perform which he must always be exposed to innumerable delusions, and for the proper performance of which no human wisdom or knowledge could ever be sufficient: the duty of superintending the industry of private people and of directing it towards the employments most suitable to the interests of the society." ("Wealth of Nations," book iv., chap. ix.) But while the Sovereign is discharged from an industrial duty which he is incapable of performing satisfactorily, he is far from being discharged from all industrial responsibility whatsoever, for Smith immediately proceeds to map out the limits

of his functions as follows: "According to the system of natural liberty, the Sovereign has only three duties to attend to—three duties of great importance, indeed, but plain and intelligible to common understandings: first, the duty of protecting the society from the violence or invasion of other independent societies; second, the duty of protecting, as far as possible, every member of the society from the injustice or oppression of every other member of it, or the duty of establishing an exact administration of justice; and thirdly, the duty of erecting and maintaining certain works and certain public institutions which it can never be for the interest of any imdividual or small number of individuals to erect and maintain; because the profit could never repay the expense to any individual or small number of individuals, though it may frequently do much more than repay it to a great society."

The State is required to protect us from other evils besides the evils of force and fraud—infectious diseases, for example, are in the context mentioned expressly—and to supply us with many other advantages besides the advantage of protection. Some of these advantages are of a material or economic order, and others of an intellectual or moral. The material advantages consist for the most part of provisions for facilitating the general commerce of the country—such things as roads, canals, harbours, the post, the mint—or provisions for facilitating particular branches of commerce; and among these he instances the incorporation of joint-stock companies endowed by charter with exclusive trading privileges; and the reason which, according to Smith, entitles the State to intervene in this class of cases, and which at the same time prescribes the length to which its intervention may legitimately go, is that individuals are unable to do the work satisfactorily themselves, or that the State has from its nature superior qualifications for the task. The intellectual or moral advantages which Smith asks from the State are mostly provisions for sustaining the national manhood and character, such as a system of compulsory military training or a system of compulsory—and if not gratuitous, still cheap—education; and it is important to mark that he asks for these measures, not on the ground of their political or military expediency, but on the broad ground that cowardice and ignorance

are in themselves public evils, from which the State is as much bound, if it can, to save the people, as it is bound to save them from violence or fraud. Of military training he observes: "To prevent that sort of mental mutilation, deformity, and wretchedness which cowardice necessarily involves in it from spreading themselves through the great body of the people, would deserve the serious attention of Government, in the same manner as it would deserve its most serious attention to prevent a leprosy or any other loathsome and offensive disease, though neither mortal nor dangerous, from spreading itself among them, though perhaps no other public good might result from such attention besides the prevention of so great a public evil." ("Wealth of Nations," book v., chap. i.) And he proceeds to speak of education: "The same thing may be said of the gross ignorance and stupidity which in a civilized society seems so frequently to benumb the understanding of all the inferior ranks of people. A man without the proper use of the intellectual faculties of a man is, if possible, more contemptible than even a coward, and seems to be mutilated and deformed in a still more essential part of the character of human nature. Though the State was to derive no advantage from the instruction of the inferior ranks of people, it would still deserve its attention that they should not be altogether uninstructed." Compulsory military training and a system of national education would no doubt be conducive to the stricter ends of all government; the one would strengthen the defences of the nation against foreign enemies and the other would tend to the diminution of crime at home; but Smith, it will be seen, explicitly refuses to take that ground. The State's duty in the case would be the same, though no such results were to follow, for the State has other duties to perform besides the maintenance of peace and the repression of crime. It would probably be admitted, he thinks, that it was as incumbent on the State to take steps to arrest the progress of a "mortal and dangerous" disease as it was to stop a foreign invasion; but he goes further, and contends that it was equally incumbent on the State to arrest the progress of a merely "loathsome and offensive" disease, for the simple reason that such a disease was a mutilation or deformity of our physical manhood. And just as the State ought to prevent the mutilation

and deformity of our physical manhood, so the State ought to prevent the mutilation and deformity of our moral and intellectual manhood, and was bound accordingly to provide a system of military training and a system of popular education, to prevent people growing up ignorant and cowardly, because the ignorant man and the coward were men without the proper use of the faculties of a man, and were mutilated and deformed in essential parts of the character of human nature. At bottom Smith's principle is this—that men have an original claim—a claim as original as the claim to safety of life and property—to all the essential conditions of an unmutilated and undeformed manhood, and that is really only another expression for the principle that lies at the foundation of all civil and human right, that men have a right to the essential conditions of a normal humanity, to the presuppositions of all humane living, to the indispensable securities for the proper realization of our common vocation as human beings. The right to personal liberty—to the power of working for ends of our own prescribing, and the right to property—to the power of retaining what we have made, to be the instrument of further activities for the ends we have prescribed for ourselves—rest really on no other ground than that the privileges claimed are essential conditions of a normal, an unmutilated and undeformed manhood, and it is on this broad ground that Adam Smith justifies the State's intervention to stop disease and supply education.

Smith held but a poor opinion of the capacities of Government management, and especially of English Government management, which, he asserted, was characterized in times of peace by "the slothful and negligent profusion that was natural to monarchies," and in times of war by "all the thoughtless extravagance" that was peculiar to democracies; but nevertheless he had no hesitation in asking Government to undertake a considerable number of industrial enterprises, because he believed that these were enterprises which Government with all its faults was better fitted to conduct successfully than private adventurers were. On the other hand, Smith entertained the highest possible belief in individual liberty, but he had never any scruple about sacrificing liberty of contract where the sacrifice was demanded by the great

moral end of Government—the maintenance of just and humane dealing between man and man. For example, the suppression of the truck system, which is sometimes condemned as an undue interference with freedom of contract, was strongly supported by Smith, who declared it to be "quite just and equitable," inasmuch as it merely secured to the workmen the pay they were entitled to receive and "imposed no real hardship on the masters—it only obliged them to pay that value in money which they pretended to pay, but did not really pay, in goods." It was only a just and necessary protection of the weaker party to a contract against an oppressive exaction to which, like the apothecary in "Romeo and Juliet," his poverty might have consented, but not his will. Precisely analogous is Smith's position concerning usury laws. Usury laws are seldom defended now; for one thing, money has become so abundant that the competition of lender with lender may be trusted to as a better security for fair and reasonable treatment of borrowers than a Government enactment could provide. But Smith in his day was strongly in favour of fixing a legal rate of interest, because he thought it was necessary to prevent the practice of extortion by unscrupulous dealers on necessitous clients. His views on truck and usury show that he had no sympathy with those who contend that the State must on no account interfere with grown-up people in the bargains they may make, inasmuch as grown-up people may be expected to be quite capable of looking effectively after their own interest. Smith recognised that grown-up people were often in natural circumstances where it was practically impossible for them to assert effectively not their interests merely, but even their essential claims as fellow-citizens; and that therefore it was the State's duty to come to the aid of those whose own economic position was weak, and to force upon the strong certain responsibilities—or at least secure for the weak certain broad, positive conditions—which just and humane dealing might demand.

Now, in these ideas about truck and usury, as in the proposals previously touched upon for checking the growth of disease or cowardice or ignorance, is not the principle of social politics that is applied by Smith precisely the principle that

runs through our whole recent social legislation—factory, sanitary, and educational—the principle of the State's obligation to secure the people in the essential conditions of all normal manhood? German writers often take Smith for an exponent, if not for the founder, of what they call the *Rechtstaat* theory—the theory that the State is mainly the protector of right; but in reality Smith's doctrine corresponded pretty closely with their own *Kultur-und-Wohlfahrtstaat* theory—the theory that the State is a promoter of culture and welfare; and if further proof were wanted, it might be found in the fact that in his doctrine of taxation he departs altogether from the economic principle, which is popularly associated with the *Rechtstaat* idea, and is supposed to be a corollary of it, that a tax is a *quid pro quo*, a price paid for a service rendered, and ought therefore to be imposed on individuals in proportion to the service they respectively receive from the State; and instead of this economic principle he lays down the broad ethical one, that a tax is a public obligation which individuals ought to be called upon to discharge in proportion to their respective abilities. The rich cannot fairly be said to *get* more good from the State than the poor; they probably get less, because they are better capable of providing for their own defence; but the rich are able to *do* more good to the State than the poor, and because they are able, they are bound.

Such is the social doctrine of Adam Smith, and it is manifestly no doctrine of rigid individualism, calling out for freedom at any price, or banning all interference with the natural play of self-interest and competition. The natural liberty for which the great English economist contended was not the mere ghost of liberty worshipped by Mr. Spencer. An ignorant man might be free, as an imprisoned man was free, within limits, but he was not free within normal human limits. He had not the use of his mind; he was wanting in an essential part of his manhood. First make him a man—a whole, complete, competent man, fit for man's vocation—then make him free. There is a common metaphysical distinction between the formal freedom of the will and the material freedom of the will. The drunkard, the lunatic, is formally free, for he exerts his choice, but he is materially enslaved. The difference

between liberty according to Mr. Spencer and liberty according to Adam Smith is something analogous. The liberty Smith desires is a substantial liberty; it is clothed with a body —a definite body of universal human rights—which the State is bound to realize as it would realize liberty itself. The reason of his difference from the *laissez-faire* theory of Mr. Spencer, which is so often erroneously attributed to him, is that he takes a much broader and more practical view of the original moral rights of individuals than such ultra-individualists are accustomed to do. While they hold that the State is there only to secure to individuals reality and equality of freedom, he holds it is there to secure them reality and equality of all moral rights. He would supply all alike, therefore, with certain material securities—the material conditions necessary to secure their moral rights with equal completeness,—and he would protect them in the enjoyment of those conditions against the assaults of poverty and misfortune no less than the assaults of murderers and thieves. But beyond this line he would refuse to go; if he stands clearly out in advance of the *laissez-faire* position of equality of legal freedom, he stands equally clearly far short of the socialistic position of equality of material conditions.

Now this doctrine of the great founder of English political economy has been substantially the doctrine of his successors as well. It would be beyond my present scope to trace the history of the doctrine of social politics through the writings of the whole succession of English economists, nor is it necessary. I shall choose a representative economist from the group who are generally reckoned the most narrow and unsympathetic, who are accused of having shifted political economy off the broader lines on which it had been launched by Smith, who are counted the great idolaters of self-interest and natural law, and the scientific associates of the much-abused Manchester school—viz., the disciples of Ricardo. Ricardo himself touches only incidentally on the functions of the State, but he then does so to defend interventions, such as minting money, marking plate, testing drugs, examining medical candidates, and the like, which are meant to guard people against deceptions they are themselves incompetent to detect. More-

over, he was a strong advocate for at least one important extension of the State's industrial *rôle*—he would establish a National Bank of issue with exclusive privileges; and it is not uninteresting to remember that in his place in Parliament he brought forward the suggestion of a system of Government annuities for the accommodation of working men, which was introduced by Mr. Gladstone half a century later, and has been denounced in certain quarters as that statesman's first step in socialism, and that he was one of a very small minority who voted for a Parliamentary inquiry into the social system of Robert Owen.

But if Ricardo is comparatively silent on the subject, we fortunately possess a very ample discussion of it by one of his leading disciples, J. R. McCulloch. When Ricardo died, James Mill wrote to McCulloch, "As you and I are his two and only genuine disciples, his memory must be a point of connection between us;" and it was on McCulloch that the mantle of the master descended. His "Principles of Political Economy," which may be said to be an exposition of the system of economics according to Ricardo, was for many years the principal textbook of the science, and will still be admitted to be the best and most complete statement of what, in the cant of the present day, is called orthodox political economy. McCulloch, indeed, is more than merely the expositor of that system; he is really one of its founders, the author of one of its most famous dogmas, at least in its current form, the now exploded doctrine of the Wages fund; and of all the adherents of this orthodox tradition, McCulloch is commonly considered the hardest and most narrow. There are economists who are supposed to show a native generous warmth which all the severities of their science are unable to quell. John Stuart Mill is known to have come under St. Simonian influences in his younger days, and to have been fond ever afterwards of calling himself a socialist; and Professor Sidgwick, in our own day, is often credited—and not unjustly—with a like breadth of heart, and in publishing his views of Government interference, he gives them the name of "Economic Socialism." But in selecting McCulloch, I select an economist the rigour of whose principles has never been suspected, and yet so

striking is the uniformity of the English tradition on this subject, that in reality neither Mill nor Mr. Sidgwick professes a broader doctrine of social politics, or goes a step further, or more heartily on the road to socialism than that accredited champion of individualism, John Ramsay McCulloch.

McCulloch's "Principles" contains—from the second edition in 1830 onward to the last author's edition in 1849—a special chapter on the limits of Government interference; and the chapter starts with an explicit repudiation of the doctrine of *laissez-faire*, which was then apparently only beginning to come into vogue in England.

"An idea," says McCulloch, "seems however to have been recently gaining ground that the duty of the Government with regard to the domestic policy of the country is almost entirely of a negative kind, and that it has merely to maintain the security of property and the freedom of industry. But its duty is by no means so simple and easily defined as those who support this opinion would have us to believe. It is certainly true that its interference with the pursuits of individuals has been, in very many instances, exerted in a wrong direction, and carried to a ruinous excess. Still, however, it is easy to see that we should fall into a very great error if we supposed that it might be entirely dispensed with. Freedom is not, as some appear to think, the end of government; the advancement of the public prosperity and happiness is its end; and freedom is valuable in so far only as it contributes to bring it about. In laying it down, for example, that individuals should be permitted, without let or hindrance, to engage in any business or profession they may prefer, the condition that it is not injurious to others is always understood. No one doubts the propriety of a Government interfering to suppress what is or might otherwise become a public nuisance; nor does any one doubt that it may advantageously interfere to give facilities to commerce by negotiating treaties with foreign powers, and by removing such obstacles as cannot be removed by individuals. But the interference of Government cannot be limited to cases of this sort. However disinclined, it is obliged to interfere in an infinite variety of ways and for an infinite variety of purposes.

It must, to notice only one or two of the *classes* of objects requiring its interference, decide as to the species of contract to which it will lend its sanction, and the means to be adopted to enforce true performance; it must decide in regard to the distribution of the property of those who die intestate, and the effect to be given to the directions in wills and testaments; and it must frequently engage itself, or authorize individuals or associations to engage, in various sorts of undertakings deeply affecting the rights and interests of others and of society. The furnishing of elementary instruction in the ordinary branches of education for all classes of persons and the establishment of a compulsory provision for the support of the destitute poor are generally also included, and apparently with the greatest propriety, among the duties incumbent on administration" (p. 262).

He allows State ownership and State management of industrial works, wherever State ownership and management are more efficient for the purpose than private enterprise—in other words, where they are more economical—as in the cases of the coinage, roads, harbours, postal communication, etc. He would expropriate land for railway purposes, grant a monopoly to the railway company, and then subject it to Government control in the public interest; he would impose many sorts of restrictions on freedom of contract, freedom of industry, freedom of trade, freedom of property, and freedom of bequest; and, what is more important, he recognises clearly that with the growth of society fresh interferences of a serious character will be constantly called for, which may in some cases involve the application of entirely new principles, or throw on the Government work of an entirely new character.

For example, he is profoundly impressed with the dangers of the manufacturing system, which he saw growing and multiplying all around him, and so far from dreaming that the course of industry should remain uncontrolled, he even ventures, in a remarkable passage, to express the doubt whether it may not "in the end be found that it was unwise to allow the manufacturing system to gain so great an ascendancy as it has done in this country, and that measures should have been early adopted to check and moderate its growth" (p. 191).

He admits that a decisive answer to this question could only be given by the economists of a future generation, after a longer experience of the system than was possible when he wrote, but he cannot conceal the gravest apprehension at the preponderance which manufactures were rapidly gaining in our industrial economy. And his reasons are worthy of attention. The first is the destruction of the old moral ties that knit masters and men together.

"But we doubt whether any country, how wealthy soever, should be looked upon as in a healthy, sound state, where the leading interest consists of a small number of great capitalists, and of vast numbers of workpeople in their employment, but unconnected with them by any ties of gratitude, sympathy, or affection. This estrangement is occasioned by the great scale on which labour is now carried on in most businesses; and by the consequent impossibility of the masters becoming acquainted, even if they desired it, with the great bulk of their workpeople. . . . The kindlier feelings have no share in an intercourse of this sort; speaking generally, everything is regulated on both sides by the narrowest and most selfish views and considerations; a man and a machine being treated with about the same sympathy and regard" (p. 193).

The second reason is the suppression of the facilities of advancement enjoyed by labourers under the previous *régime*. "Owing to the greater scale on which employments are now mostly carried on, workmen have less chance than formerly of advancing themselves or their families to any higher situation, or of exchanging the character of labourers for that of masters" (p. 188). For the majority of the working-class to be thus, as he expresses it, "condemned as it were to perpetual helotism," is not conducive to the health of a nation. The third reason is the comparative instability of manufacturing business. It becomes a matter of the most serious concern for a State, "when a very large proportion of the population has been, through their agency, rendered dependent on foreign demand, and on the caprices and mutations of fashion" (p. 192). That also is a state of things fraught with danger to the health of a community. McCulloch always treats political economy as if he defined it—and the definition would be better than his

own—as the science of the working of industrial society in health and disease; and he always throws on the State a considerable responsibility in the business of social hygiene; going so far, we have seen in the passages just quoted, as to suggest whether a legal check ought not to have been imposed on the free growth of the factory system, on account of its bad effects on the economic position of the labouring class. We had suffered the system to advance too far to impose that check now, but there were other measures which, in his opinion, the Legislature might judiciously take in the same interest. It is of course impossible, by Act of Parliament, to infuse higher views of duty or warmer feelings of ordinary human regard into the relations between manufacturers and their workmen; but the State might, according to McCulloch, do something to mitigate the modern plague of commercial crises, by a policy of free trade, by adopting a sound monetary system, by securing a continuance of peace, and by "such a scheme of public charity as might fully relieve the distresses without insulting the feelings or lessening the industry of the labouring classes" (p. 192).

As with commercial crises, so with other features of the modern industrial system; wherever they tend to the deterioration of the labouring class, McCulloch always holds the State bound to intervene, if it can, to prevent such a result. He would stop the immigration of what is sometimes called pauper labour—of bodies of workpeople brought up in an inferior standard of life—because their example and their competition tend to pull down the native population to their own level. The example he chooses is not the Jewish element in the East End of London, but the much more important case of the Irish immigration into Liverpool and Glasgow; and while he would prefer to see Government taking steps to improve the Irish people in Ireland itself, he declares that, if that is not practicable, then "justice to our own people requires that measures should be adopted to hinder Great Britain from being overrun with the outpourings of this *officina pauperum*, to hinder Ireland from dragging us down to the same hopeless abyss of pauperism and wretchedness in which she is sunk" (p. 422). This policy may be wise, or it may not, but it shows

very plainly—what appears so often in his writings—how deeply McCulloch's mind was penetrated with the conviction that one of the greatest of all the dangers from which the State ought to do what it well can to preserve the people, was the danger of falling to a lower standard of tastes and requirements, and thereby losing ambition and industry, and the very possibility of rising again.

"This lowering of the opinions of the labouring class with respect to the mode in which they should live is perhaps the most serious of all the evils that can befall them. . . . The example of such individuals or bodies of individuals as submit quietly to have their wages reduced, and who are content if they get only mere necessaries, should never be held up for public imitation. On the contrary, everything should be done to make such apathy be esteemed discreditable. The best interests of society require that the rate of wages should be elevated as high as possible—that a taste for comforts and enjoyments should be widely diffused, and, if possible, interwoven with national habits and prejudices. Very low wages, by rendering it impossible for increased exertions to obtain any considerable increase of advantages, effectually hinder them from being made, and are of all others the most powerful cause of that idleness and apathy that contents itself with what can barely continue animal existence" (p. 415).

And he goes on to refute the idea of Benjamin Franklin, that high wages breed indolent and dissipated habits, and to contend that they not only improve the character and efficiency of the labourer, but are in the end a source of gain, instead of loss, to the employer. But, although the maintenance of a high rate of wages is so great an object of public solicitude, it was an object which it was, in McCulloch's judgment, outside the State's province, simply because it was outside its power, to do anything directly to promote, because while authority could fix a price for labour, it could never compel employers to engage labour at that price; and consequently its interference in such a way would only end in injury to the class it sought to befriend, as well as to the trade of the country in general. Still, McCulloch is far from wishing to repel the State's offices or the offices of public opinion in connection

with the business altogether. In the passage just quoted he expressly makes an appeal to public opinion for an active interference in a direction where, he believes, its interference might be useful; and as for the action of the State, he approves, for one thing, of the legalization of trades unions, and, for another, of the special instruction of the public, at the national expense, in the principles on which a high rate of wages depend.

In regard to the Factory Acts, while he would have the hours of labour in the case of grown-up men settled by the parties themselves, because he thought them the only persons competent to settle them satisfactorily, he strongly supported the interference of the Legislature, on grounds of ordinary humanity, to limit the working day of children and women, because "the former are naturally, and the latter have been rendered, through custom and the institutions of society, unable to protect themselves" (p. 426); and he seconded all Lord Shaftesbury's labours down to the Ten Hours Act of 1847, to which he objected on the ground that it involved a practical interference with all adult factory labour. On the other hand, he was in favour of the principle of employers' liability for accidents in mines and workshops, because there seemed no other way of saving the labourers from their own carelessness, except by making the masters responsible for the enforcement of the necessary regulations (p. 307).

But McCulloch's general position on this class of questions is still better exemplified in the view he takes of the State's duty on a matter of great present interest, the housing of the poor. Here he has no hesitation in throwing the principal blame for the bad accommodation of the working-classes of that day, for the underground cellar dwellings of Liverpool and Manchester, the overcrowded lodging-houses of London, and the streets of cottages unsupplied with water or drainage, on "the culpable inattention of the authorities." Mr. Goschen vindicates the legitimacy of Government interference with the housing of the people, on the ground that it is the business of Government to see justice done between man and man. When a man hired a house, Government had a right to see that he got a house, and a house meant a dwelling fit for human habitation.

The inspection of houses is, according to this idea, only a case of necessary protection against fraud, like the institution of medical examinations, the assaying of metals, or the testing of drugs; and protection against fraud is admitted everywhere to be the proper business of Government. McCulloch bases his justification of the intervention on much broader grounds. Government needs no other warrant for condemning a house that is unfit for human habitation but the simple fact that the house is unfit for human habitation, and it makes no difference whether the tenant is cheated into taking the bad house, or takes it openly because he prefers it. In fact, the strongest reason, in McCulloch's opinion, for invoking Government interference in the case at all, is precisely the circumstance that so many people actually prefer unwholesome houses from motives of economy.

"Such cottages," he says, "being cheap, are always sure to find occupiers. Nothing, however, can be more obvious than that it is the duty of Government to take measures for the prevention and repair of an abuse of this sort. Its injurious influence is not confined to the occupiers of the houses referred to, though if it were, that would be no good reason for declining to introduce a better system. But the diseases engendered in these unhealthy abodes frequently extend their ravages through all classes of the community, so that the best interests of the middle and higher orders, as well as of the lowest, are involved in this question. And, on the same principle that we adopt measures to guard against the plague, we should endeavour to secure ourselves against typhus, and against the brutalizing influence, over any considerable portion of the population, of a residence amid filth and disease" (p. 308).

The last clause is remarkable. The State is required to protect the people from degrading influences, to prevent them from being brutalized through the avarice or apathy of others, and to prevent them being brutalized through the avarice or apathy of themselves. It is not what many persons would expect, but here we have political economy, and the most "orthodox" political economy, forcing people to go to a dearer market for their houses, in order to satisfy a sentiment of humanity, and imposing on the State a social mission of a

broad positive character—the mission of extirpating brutalizing influences. Yet, expected or not, this is really the ordinary tradition of English economists—it is the principle laid down by Smith of obliging the State to secure for the people an unmutilated and undeformed manhood, to provide for them by public means the fundamental conditions of a humane existence.

McCulloch's position comes out more clearly still in the reasons he gives for advocating a compulsory provision for the able-bodied poor, and a national system of popular education. With regard to the impotent poor, he is content with saying that it would be inhumanity to deny them support, and injustice to throw their support exclusively on the benevolent. A poor-rate is sometimes defended on what are professed to be strictly economical grounds, by showing that it is both less mischievous and less expensive than mendicity; but what strikes McCulloch is not so much the wastefulness of private charity in the hands of the benevolent as the injustice of suffering the avaricious to escape their natural obligations. Few, however, have much difficulty in finding one good reason or another for making a public provision for the impotent poor; the *crux* of the question of public assistance is the case of the able-bodied poor. A provision for the able-bodied poor is practically a recognition in a particular form of "the right to labour," and the right to labour resounds with many revolutionary terrors in our English ears, although it has, as a matter of fact, been practised quietly, and most of the time in one of its most pernicious forms, in every parish of England for nearly three hundred years.

Now on this question McCulloch was a convert. He confessed to the Committee on the State of the Poor in Ireland, in 1830, that he had changed his views on the subject entirely since his previous evidence in 1825. He had formerly been, he said, "too much imbued with mere theory, with the opinions of Malthus and Townsend"; but he had become a firm believer in the necessity and the public advantage of a legal provision for the able-bodied poor, and he strongly recommended the introduction of such a system into Ireland, in the first instance as an instrument of individual relief, but also as an effectual engine of social improvement. He gives the

reasons for his conversion partly in his evidence, and partly in a more systematic form in his "Principles of Political Economy." First, Malthus had attributed to the Poor Law itself effects which really sprang from certain bad arrangements that had been engrafted on the English system of relief, but were not essential to it—viz., the allowance system, and the law known as Gilbert's Act, which deprived parishes of the right to refuse relief except in workhouses, and forced them to provide work for paupers, if paupers desired it, at or near their own houses. These two arrangements, in McCulloch's opinion, converted the English provision for the able-bodied poor from what we may term a wise and conditional right of labour into an unwise and dangerous one. In the second place, he had come to see that a legal provision for the poor, instead of having, as was alleged, a necessary tendency to multiply pauperism, had in reality a natural tendency to prevent its growth, because it gave the landlords and influential ratepayers a strong pecuniary as well as moral interest in producing that result. Its effect was thus to establish in every parish a new local stimulus to social improvement, and it was on account of this effect of a Poor Law that McCulloch thought it would be specially beneficial to Ireland, because there was nothing Ireland needed more than just such a local stimulus. In the third place, he had become more and more profoundly impressed with the increasing gravity of the vicissitudes and fluctuations of employment to which English labourers were subject since England became mainly a manufacturing country, and that unhappy feature of manufacturing industry was his principal reason for invoking legislative assistance. A purely agricultural country, he thought, might be able to do without a Poor Law, because agricultural employment was comparatively steady; but in a manufacturing country a Poor Law was indispensable, on account of the long periods of depression or privation which were normal incidents in the life of labour in such a country, and on account of the pernicious effect which these periods of privation would, if unchecked, be certain to exercise upon the character and habits of the labouring classes, through "lowering their estimate of what is required for their comfortable and decent subsistence." ("Political Economy," p. 448.)

"During these periods of extraordinary privation the labourer, if not effectually relieved, would imperceptibly lose that taste for order, decency, and cleanliness which had been gradually formed and accumulated in better times by the insensible operation of habit and example, and no strength of argument, no force of authority, could again instil into the minds of a new generation, growing up under more prosperous circumstances, the sentiments and tastes thus uprooted and destroyed by the cold breath of penury. Every return of temporary distress would therefore vitiate the feelings and lower the sensibilities of the labouring classes" (p. 449).

McCulloch quotes these words from Barton, but he quotes them to express his own view, and their teaching is very explicit on the duty of Government to the unemployed in seasons of commercial distress. In such seasons of "extraordinary privation" the State is called upon to take "effectual" measures—extraordinary measures, we may infer, if extraordinary measures were necessary—for the relief of the unemployed, not merely to save them from starvation, but to prevent them from losing established habits of "order, decency, and cleanliness"; from getting their feelings vitiated, their sensibilities impaired, so that they were in danger of remaining content with a worse standard of living, and sinking to a lower scale in the dignity of social and civilized being. In a word, it is held to be the duty of the State to prevent, if it can, the temporary reverses of the labouring class from resulting in its permanent moral decadence; and as the object of the State's intervention is to preserve the dignity, the self-respect, the moral independence and energy of the labouring class, the manner of the intervention, the choice of actual means and steps for administering the relief, must, of course, be governed by the same considerations. "The true secret of assisting the poor," says McCulloch, borrowing the words of Archbishop Sumner, "is to make them agents in bettering their own condition, and to supply them, not with a temporary stimulus, but with a permanent energy" (p. 475).

The same principles come out even more strongly in McCulloch's remarks on national education. He says, "the providing of elementary instruction for all classes is one of the most

pressing duties of Government" (p. 473); and the elementary instruction he would provide would not stop at reading and writing, but would include even a knowledge of so much political economy as would explain "the circumstances which elevate and depress the rate of wages" (p. 474). It was the duty of Government to extirpate ignorance, because, "of all obstacles to improvement, ignorance was the most formidable"; and it was its duty to establish Government schools for the purpose, because charity schools impaired the self-respect and sense of independence which were themselves first essentials of all social improvement.

"No extension of the system of charity and subscription schools can ever fully compensate for the want of a statutory provision for the education of the public. Something of degradation always attaches to the fact of one's having been brought up in a charity school. The parents who send children to such an institution, and even the children, know that they have been received only because they are paupers unable to pay for their education; and this consciousness has a tendency to weaken that state of independence and self-respect, for the want of which the best education may be but an imperfect substitute. But no such feeling could operate on the pupils of schools established by the State" (p. 476).

There is no question with McCulloch about the right of the State to take steps to forward the moral progress, or to prevent the moral decadence, of the community—or any part of the community—under its care; that is simply its plain and primary duty, though there may be question with the State, as with other agencies, whether particular measures proposed for the purpose are really calculated to effect it.

After this long, and I fear tedious, account of the opinions of McCulloch, it would be needless to call more witnesses to refute those who so commonly accuse English economists of teaching an extreme individualism. For McCulloch may be said to be their own witness; they hold him up as the hardest and narrowest of a hard and narrow school; one of the ablest of them, Mr. J. K. Ingram, who writes McCulloch's memoir in the *Encyclopædia Britannica*, going so far as to accuse him of exhibiting "a habitual deadness in the study of social

questions to all but material considerations." We have adduced enough to disprove that statement. The reader of McCulloch's writings is constantly struck to observe how habitually his judgment of a social question is governed by ethical rather than economic considerations, and how his supreme concern always seems to be to guard the labouring poor from falling into any sort of permanent decadence, and to place them securely on the lines of progressive elevation. But perhaps a word may be required about the Manchester school. Mr. Ingram states—and again his statement probably agrees with current prepossessions—that McCulloch occupied "substantially the same theoretic position as was occupied at a somewhat later period by the Manchester school" (*Encyc. Brit.*, art. "Political Economy"). We have seen what McCulloch's theoretic position really was, and it is certainly not the Manchester doctrine of popular anathema; it is not the *Manchesterismus* of the German schools. But the Manchester men can scarcely be said to have properly had anything in the nature of a general theoretic position. They were not a school of political philosophy—they were a band of practical politicians leagued to promote particular reforms, especially two reforms in international policy which involved large curtailments of the *rôle* of Government—viz., free trade with other countries, and non-intervention in their internal affairs; but they were far from thinking that, because it would be well for the State to abstain from certain specific interferences, it would be well for it to abstain from all; or that if the State had no civilizing mission towards the people of other countries, it had therefore no civilizing mission towards its own. Cobden, for example—to go no farther—was a lifelong advocate of a national system of education; he was a friend of factory legislation for women and children, and, with respect to the poor, he taught in one of his speeches the semi-socialistic doctrine that the poor had the first right to maintenance from the land—that they are, as it were, the first mortgagees. The Manchester school is really nothing but a stage convention, a convenient polemical device for marking off a particular theoretical extreme regarding the task of the State; but the persons in actual life who were presumed to compose the school were no more, all of

them, adherents of that theory than Scotchmen, off the stage, have all short kilts and red hair. And as for that theory itself, the theory of *laissez-faire*, it has never in England been really anything more than it is now, the plea of alarmed vested interests stealing an unwarranted, and I believe an unwelcome, shelter under the ægis of economic science. English economists, from Smith to McCulloch, from McCulloch to Mr. Sidgwick, have adhered with a truly remarkable steadiness to a social doctrine of a precisely contrary character—a social doctrine which, instead of exhibiting any unreasonable aversion to Government interference, expressly assigns to Government a just and proper place in promoting the social and industrial development of the community. In the first place, in the department of production, they freely allow that, just as there are many industrial enterprises in the conduct of which individual initiative must, for want of resources or other reasons, yield to joint-stock companies, so there are others for which individuals and companies alike must give place to the State, because the State is by nature or circumstances better fitted than either to conduct them satisfactorily; and in the next place, in the department of distribution, while rating the moral or personal independence of the individual as a supreme blessing and claim, they have no scruple in calling on the State to interfere with the natural liberty of contract between man and man, wherever such interference seems requisite to secure just and equitable dealing, to guard that personal independence itself from being sapped, or to establish the people better in any of the other elementary conditions of all humane living. We sometimes take pride at the present day in professing a distrust for doctrinaire or metaphysical politics, and we are no doubt right; but that reproach cannot justly be levelled against the English economists. They were not Dutch gardeners trying to dress the world after an artificial scheme; that is more distinctive of the social systems they opposed. Their own system indeed was to study Nature, to discover the principles of sound natural social growth, and to follow them; but they had no idea on that account of leaving things to grow merely as they would, or of renouncing the help of good husbandry. They had, as we have seen, a positive doctrine of

social politics, which required from the State much more than the protection of liberty and the repression of crime; they asked the State to undertake such industrial work as it was naturally better fitted to perform than individuals or associations of individuals, and they asked the State to secure to the body of the citizens the essential conditions of a normal and progressive manhood.

Now this doctrine—which may be called the English doctrine of social politics—seems to furnish a basis of considerable practical value for discriminating between a wholesome and effective participation by Government in the work of social reform, on the one hand, and those pernicious and dangerous forms of intervention on the other, which may be correctly known by the name of State socialism.

II. *The Nature and Principle of State Socialism.*

Few words are at present more wantonly abused than the words socialism and State socialism. They are tossed about at random, as if their meaning, as was said of the spelling of former generations, was a mere affair of private judgment. There is, in truth, a great deal of socialism in the employment of the word; little respect is paid to the previous appropriation of it; and especially since it has become, as has been said, *hoffähig*, men press forward from the most unlikely quarters, claim kindred with the socialists, and strive for the honour of being called by their name. Many excellent persons, for example, have no better pretext to advance for their claim than that they also feel a warm sentiment of interest in the cause of the poor. Churchmen whose duties bring them among the poor are very naturally touched with a sense of the miseries they observe, and certain of them, who may perhaps without offence be said to love the cause well more than wisely, come to public platforms and declare themselves socialists—socialists, they will sometimes explain, of an older and purer confession than the Social Democratic Federation, but still good and genuine socialists—merely because the religion they preach is a gospel of moral equality before God, and of fraternal responsibility among men, whose very test in the end is the test of

human kindness—"Inasmuch as ye did it not to one of the least of these My brethren, ye did it not to Me." But socialism is not a feeling for the poor, nor yet for the responsibilities of society in connection with their poverty; it is neither what is called humanitarianism, nor what is called altruism; it is not an affair of feeling at all, but of organization, and the feeling it breathes may not be altruistic. The revolutionary socialists of the Continent, for instance, are animated by as vigorous a spirit of self-interest and an even more bitter class antagonism than a trade union or a land league. They fight for a particular claim of right—the utterly unjustifiable claim to the whole product of labour—and they propose to turn the world upside down by a vast scheme of social reconstruction in order to get their unjust, delusive, and mischievous idea realized. The gauge of their socialism, therefore, must, after all, be looked for in their claim and their remedy, and not in the vague sympathies of a benevolent spectator who, without scrutinizing either the one or the other, thinks he will call himself a socialist because he feels that there is much in the lot of the poor man that might be mended, and that the rich might be very properly and reasonably asked to make some sacrifices for their brethren's sake out of their abundance. The philanthropic spectator suffers from no scarcity of words to express his particular attitude if he desires to do so; why then should he not leave socialists the enjoyment of their vocable?

There is often at the bottom of this sentimental patronage of socialism the not unchivalrous but mistaken idea that the ordinary self-interest of the world has been glorified by economists into a sacred and all-sufficing principle which it would be interfering with the designs of Providence to restrict, and that therefore it is only right to side with socialism as a protest against the position taken by the apologists of the present system of things, without being understood to commit one's self thereby to the particular system which socialism may propose to put in its place. But while the economists think very rightly that self-interest must always be regarded as the ordinary guide of life, and that the world cannot be reasonably expected to become either better, or better off, if everybody were to look after other people's interests (which he knows nothing about)

instead of looking after his own (of which he at least knows something), they are far from showing any indifference to the danger of self-interest running into selfishness. On the contrary, they have constantly insisted—as the evidence I have already produced abundantly proves—that where the self-interest of the strongly placed failed to subject itself spontaneously to the restraints of social justice and the responsibilities of our common humanity, it was for society to step in and impose the restraints that were just and requisite, and to do so either by public opinion or by public authority in the way most likely to be practicable and effectual. Another thing our sentimental friends forget is that the socialists of the present day have no thought of substituting any other general economic motive in the room of self-interest. If they had their schemes realized to-morrow, men would still be paid according to the amount of their individual work, and each would work so far for his own hand. His daily motive would be his individual interest, though his scope of achievement would be severely limited by law with the view of securing a better general level of happiness in the community. The question between economists and socialists is not whether the claims of social justice are entitled to be respected, but whether the claims which one or other of them make really are claims of social justice or no. Still, so firm is the hold taken by the notion that the socialists are the special champions of social justice, that one of our most respected prelates has actually defined socialism in that sense. The Bishop of Rochester (now of Winchester), in his Pastoral Letter to his Clergy at the new year of 1888, takes occasion, while warning the younger brethren against the too headlong philanthropy which "scouts what is known as the science of political economy," to describe socialism as "the science of maintaining the right proportion of equity and kindness while adjudicating the various claims which individuals and society mutually make upon each other." In reality, socialism would be better defined as a system that outsteps the right proportion of equity and kindness, and sets up for the masses claims that are devoid of proportion and measure of any kind, and whose injustice and peril often arise from that very circumstance.

If bishops carry the term off to one quarter, philosophers

carry it to another. Some identify socialism with the associative principle generally, and see it manifested in the growth of one form of organization as much as in the growth of another, or at most they may limit it to the intervention of the associative principle in things industrial, and in that event they would consider a joint-stock company, or a co-operative store, or perhaps a building like Queen Anne's Mansions, or the common-stair system of Scotland, to be as genuine exhibitions of socialism as the collectivism or anarchism of the Continental factions or the State monopolies of Prince Bismarck. But a joint-stock company is no departure from—it is rather an extension of—the present *régime* of private property, free competition, and self-interest; and why should it be described by the same name as a system whose chief pretension is to supersede that *régime* by a better? Another very common definition of socialism—perhaps the most common of all, and the last to which I shall refer here—is that socialism is the general principle of giving society the greatest possible control over the life of the individual, in contradistinction to the opposite principle of individualism, which is taken to be the principle of giving the individual the greatest possible immunity from the control of society. Any extension of the authority of the State, any fresh regulation of the transactions of individual citizens, is often pronounced to be socialistic without asking what the object or nature of the regulations may be. Socialism is identified with any enlargement, and individualism with any contraction, of the functions of government. But the world has not been made on this socialist principle alone, nor on this individualist principle alone, and it can neither be explained nor amended by means of the one without the other. Abstractions of that order afford us little practical guidance. The socialists of real life are not men who are bent on increasing Government control for the mere sake of increasing Government control. There are broad tracts of the individual's life they would leave free from social control; they would give him, for example, full property in his house and furniture during his lifetime, and the right to spend his income, once he had earned it, in his own way. Their scheme, if carried out, might be found to compel them to restrict this latter right,

but their own desire and belief undoubtedly is that the individual would have more freedom of the kind then than he has now. They seek to extend Government control only because, and only so far as, they believe Government control to be necessary and fitted to realize certain theories of right and well-being which they think it incumbent on organized society to realize; and consequently the thing that properly characterizes their position is not so much the degree of their confidence in the powers of the State as the nature of the theories of right for which they invoke its intervention. And just as socialists do not enlarge the bounds of authority from the mere love of authority, so their opponents do not resist the enlargement from the mere hatred of authority. They raise no controversy about the abstract legitimacy of Government encroachments on the sphere of private capital or of legal enlargements of the rights or privileges of labour. There is no socialism in that; the socialism only comes in when the encroachments are made on a field where Government administration is unlikely to answer, and where the rights conferred are rights to which labour can present no just and reasonable claim.

It will be objected that this is to reduce socialism to a mere matter of more or less. The English economists, it will be said, practised a little socialism, because they allowed the use of State means to elevate the condition of the working classes, or to provide for the wants of the general community; and the Continental Social Democrats only practise a little more socialism when they cry for a working-class State or for the progressive nationalization of all industries. But in practical life the measure is everything. So many grains of opium will cure; so many more will kill. The important thing for adjusting claims must always be to get the right measure, and the objection to socialistic schemes is precisely this, that they take up a theory of distributive justice which is an absolutely wrong measure, or else some vague theory of disinheritance which contains no measure at all. They would nationalize industries without paying any respect to their suitability for Government management, simply because they want to see all industries nationalized; and they would grant all manner of compensating

advantages to the working class as instalments of some vague claim, either of economic right from which they are alleged to have been ousted by the system of capitalism, or of aboriginal natural right from which they are said to have been disinherited by the general arrangements of society itself. What distinguishes their position and makes it socialism is therefore precisely this absence of measure or of the right measure, and one great advantage of the English doctrine of social politics which I have expounded, is that it is able to supply this indispensable criterion. That doctrine would limit the industrial undertakings of the State to such as it possessed natural advantages for conducting successfully, and the State's part in social reform to securing for the people the essential conditions of all humane living, of all normal and progressive manhood. It would interfere, indeed, as little as possible with liberty of speculation, because it recognises that the best way of promoting social progress and prosperity is to multiply the opportunities, and with the opportunities the incentives, of talent and capital; but, while giving the strong their head, in the belief that they will carry on the world so far after them, it would insist on the public authority taking sharp heed that no large section of the common people be suffered to fall permanently behind in the race, to lose the very conditions of further progress, and to lapse into ways of living which the opinion of the time thinks unworthy of our common humanity. Now State socialism disregards these limits, straying generally far beyond them, and it may not improperly be defined as the system which requires the State to do work it is unfit to do in order to invest the working classes with privileges they have no right to get.

The term State socialism originated in Germany a few years ago to express the antithesis not of free, voluntary, or Christian socialism, as seems frequently to be imagined here, but of revolutionary socialism, which is always considered to be socialism proper, because it is the only form of the system that is of any serious moment at the present day. State socialism has the same general aims as socialism proper, only it would carry out its plans gradually by means of the existing State, instead of first overturning the existing State by revolution and estab-

lishing in its place a new political organization for the purpose, the Social Democratic Republic. There are socialists who fancy they have but at any moment to choose a government and issue a decree, as Napoleon once did—"Let misery be abolished this day fortnight"—and misery would be abolished that day fortnight. But the State socialists are unable to share this simple faith. They are State socialists not because they have more confidence in the State than other socialists, but because they have less. They consider it utterly futile to expect a democratic community ever to be able to create a political executive that should be powerful enough to carry through the entire socialistic programme. Like the Social Conservatives of all countries, like our own Young England party, for example, or the Tory Democrats of the present generation, they combine a warm zeal for popular amelioration with a profound distrust of popular government; but when compared with other socialists, they take a very sober view of the capacity of government of any kind; and although they believe implicitly in the "Social Monarchy of the Hohenzollerns," they doubt whether the strongest monarchy the world has ever seen would be strong enough to effect a socialistic reconstruction of the industrial system without retaining the existence for many centuries to come of the ancient institutions of private property and inheritance.

All that is at least very frankly acknowledged by Rodbertus, the remarkable but overrated thinker whom the State socialists of Germany have chosen for their father. Rodbertus was always regarded as a great oracle by Lassalle, the originator of the present socialist agitation, and his authority is constantly quoted by the most eminent luminary among the State socialists of these latter days, Professor Adolph Wagner, who says it was Rodbertus that first shed on him "the Damascus light that tore from his eyes the scales of economic individualism." Rodbertus had lived for a quarter of a century in a political sulk against the Hohenzollerns. Though he had served as a Minister of State, he threw up his political career rather than accept a constitution as a mere royal favour; he refused to work under it or recognise it by so much as a vote at the polls. But when the power of the Hohenzollerns became established

by the victories of Königgrätz and Sedan, and when they embarked on their new policy of State socialism, Rodbertus developed into one of their most ardent worshippers. Their new social policy, it is true, was avowedly adopted as a corrective of socialism, as a kind of inoculation with a milder type of the disease in order to procure immunity from a more malignant; but Bismarck contended at the same time that it was nothing but the old traditional policy of the House of Prussia, who had long before placed the right of existence and the right of labour in the statute-book of the country, and whose most illustrious member, Frederick the Great, used to be fond of calling himself "the beggars' king." Under these circumstances Rodbertus came to place the whole hope of the future in the "Social Monarchy of the Hohenzollerns," and ventured to prophesy that a socialist emperor would yet be born to that House who would rule possibly with a rod of iron, but would always rule for the greatest good of the labouring class. Still, even under a dynasty of socialist emperors Rodbertus gave five hundred years for the completion of the economic revolution he contemplated, because he acknowledged it would take all that time for society to acquire the moral principle and habitual firmness of will which would alone enable it to dispense with the institutions of private property and inheritance without suffering serious injury.

In theory Rodbertus was a believer in the modern social democratic doctrine of the labourer's right to the full product of his labour—the doctrine which gives itself out as "scientific socialism," because it is got by combining a misunderstanding of Ricardo's theory of wages with a misunderstanding of the same economist's theory of value—and which would abolish rent, interest, profit, and all forms of "labourless income," and give the entire gross product to the labourer, because by that union of scientific blunders it is made to appear that the labourer has produced the whole product himself. Rodbertus, in fact, claimed to be the author of that doctrine, and fought for the priority with Marx, though in reality the English socialists had drawn the same conclusions from the same blunders long before either of them; but author or no author of it, his sole reason for touching the work of social reform at all

was to get that particular claim of right recognised. Yet for five hundred years Rodbertus will not wrong the labourers by granting them their full rights. He admits that without the assistance of the private capitalist during that interval labourers would not produce so much work, and therefore could not earn so much wages as they do now; and consequently, in spite of his theories, he declines to suppress rent and interest in the meantime, and practically tells the labourers they must wait for the full product of labour till the time comes when they can produce the full product themselves. That is virtually to confess that while the claim may be just then, it is unjust now; and although Rodbertus never makes that acknowledgment, he is content to leave the claim in abeyance and to put forward in its place, as a provisional ideal of just distribution more conformable to the present situation of things, the claim of the labourer to a progressive share, step for step with the capitalist, in the results of the increasing productivity given to labour by inventions and machinery. He thought that at present, so far from getting the whole product of labour, the labourer was getting a less and less share of its products every day, and though this can be easily shown to be a delusive fear, Rodbertus's State socialism was devised to counteract it.

For this purpose the first requisite was the systematic management of all industries by the State. The final goal was to be State property as well as State management, but for the greater part of five centuries the system would be private property and State management. Sir Rowland Hill and the English railway nationalizers proposed that the State should own the lines, but that the companies should continue to work them; Rodbertus's idea, on the contrary, is that the State should work, but not own. But then the State should manage everything and everywhere. Co-operation and joint-stock management were as objectionable to him as individual management. He thought it a mere delusion to suppose, as some socialists did, that the growth of joint-stock companies and co-operative societies is a step in historical evolution towards a socialist *régime*. It was just the opposite; it was individual property in a worse form, and he always told his friend Lassalle that it was a hopeless dream to expect to bring in the reign

of justice and brotherhood by his plan of founding productive associations on State credit, because productive societies really led the other way, and created batches of joint-stock property, which he said would make itself a thousand times more bitterly hated than the individual property of to-day. One association would compete with another, and the group on a rich mine would use their advantage over the group on a poor one as mercilessly as private capitalists do now. Nothing would answer the end but State property, and nothing would conduce to State property but State management.

The object of all this intervention, as we have said, is to realize a certain ideal or standard of fair wages—the standard according to which a fair wage is one that grows step by step with the productive capacity of the country; and the plan Rodbertus proposes to realize it by is practically a scheme of compulsory profit-sharing. He would convert all land and capital into an irredeemable national stock, of which the present owners would be constituted the first or original holders, which they might sell or transfer at pleasure but not call up, and on which they should receive, not a fixed rent or rate of interest, but an annual dividend varying with the produce or profits of the year. The produce of the year was to be divided into three parts: one for the landowners, to be shared according to the amount of stock they respectively held; a second for the capitalists, to be shared in the same way; and the third for the labourers, to be shared by them according to the quantity of work they did, measured by the time occupied and the relative strain of their several trades. This division was necessarily very arbitrary in its nature; there was no principle whatever to decide how much should go to the landowners, and how much to capitalists, and how much to labourers; and although there was a rule for settling the price of labour in one trade as compared with the price of labour in another, it is a rule that would afford very little practical guidance if one came to apply it in actual life. At all events, Rodbertus himself toiled for years at a working plan for his scheme of wages, but though he always gave out that he had succeeded in preparing one, he steadily refused to disclose it even to trusted admirers like Lassalle and Rudolph Meyer, on

the singular pretext that the world knew too little political economy as yet to receive it, and at his death nothing of the sort seems to have been discovered among his papers. Is it doing him any injustice to infer that he had never been able to arrive at a plan that satisfied his own mind as to its being neither arbitrary nor impracticable?

Now this is a good specimen of State socialism, because it is so complete and brings out so decisively the broad characteristics of the system. In the first place, it desires a progressive and indiscriminate nationalization of all industries, not because it thinks they will be more efficiently or more economically managed in consequence of the change, but merely as a preliminary step towards a particular scheme of social reform; in the next place, that scheme of social reform is an ideal of equitable distribution which is demonstrably false, and is admittedly incapable of immediate realization; in the third place, a provisional policy is adopted in the meanwhile by pitching arbitrarily on a certain measure of privileges and advantages that are to be guaranteed to the labouring classes by law as partial instalments of rights deferred or compensations for rights alleged to be taken away.

It may be that not many State socialists are so thoroughgoing as Rodbertus. Few of them possibly accept his theory of the labourer's right—which is virtually that the labourer has a right to everything, all existing wealth being considered merely an accumulation of unpaid labour—and few of them may throw so heavy a burden on the State as the whole production and the whole distribution of the country. But they all start from some theory of right that is just as false, and they all impose work on the State which the State cannot creditably perform. They all think of the mass of mankind as being disinherited in one way or another by the present social system, perhaps through the permission of private property at all, perhaps through permission of its inequalities. M. de Laveleye, indeed, goes a step further back still. In an article he has contributed on this subject to the *Contemporary Review*, he uses as his motto the saying of M. Renan that Nature is injustice itself, and he would have society to correct not merely the inequalities which society may have itself had a share in

establishing, but also the inequalities of talent or opportunity which are Nature's own work. Accordingly, M. de Laveleye describes himself as a State socialist, because he thinks "the State ought to make use of its legitimate powers for the establishment of the equality of conditions among men in proportion to their personal merit." Equality of conditions and personal merit are inconsistent standards, but if they were harmonious, it would be beyond the power of the State to realize them for want of an effective calculus of either.

Few State socialists, however, profess the purpose of correcting the differences of native endowment; for the most part, when they found their policy on any theoretic idea at all, they found it on some idea of historical reparation. In this country, socialist notions always crop up out of the land. German socialists direct their attack mainly on capital, but English socialism fastens very naturally on property in land, which in England is concentrated into unnaturally few hands: and a claim is very commonly advanced for more or less indefinite compensation to the labouring class on account of their alleged disinheritance, through the institution of private property, from their aboriginal or natural rights to the use of the earth, the common possession of the race. That is the ground, for example, which Mr. Spencer takes for advocating land nationalization, and Mr. Chamberlain for his various claims for "ransom." The last-comer is held to have as good a right to the free use of the earth as the first occupant; and if society deprives him of that right for purposes of its own, he is maintained to be entitled to receive some equivalent, as if society does not already give the new-comer vastly more than it took away. His chances of obtaining a decent living in the world, instead of being reduced, have been immensely multiplied through the social system that has resulted from the private appropriation of land. The primitive economic rights whose loss socialists make the subject of so much lamentation are generally considered to be these four: (1) the right to hunt; (2) the right to fish; (3) the right to gather nuts and berries; and (4) the right to feed a cow or sheep on the waste land. Fourier added a fifth—which was certainly a right much utilized in early times—the right of theft from people over the border of

the territory of one's own tribe. Let that right be thrown in with the rest; then the claim with which every English child is alleged to be born, and for which compensation is asked, is the claim to a thirty-millionth part of the value of these five aboriginal uses of the soil of England; and what is that worth? Why, if the "prairie value" of the soil is estimated at the high figure of a shilling the acre per annum, it would only give every inhabitant something under half a crown, and when compensation is demanded for the loss of this ridiculous pittance, one calls to mind what immensely greater compensations the modern child is born to. Civilization is itself a social property, a common fund, a people's heritage, accumulating from one generation to another, and opening to the new-comer economic opportunities and careers incomparably better and more numerous than the ancient liberties of fishing in the stream or nutting in the forest. The things actually demanded for the poor in liquidation of this alleged claim may often be admissible on other grounds altogether, but to ask them in the name of compensation for the loss of those primitive economic rights — even though it was done by Spencer or Cobden — is certainly State socialism.

Mr. Chamberlain's famous "ransom" speeches are an example of that. There was nothing socialist about the substance of his proposals. He expressly disclaimed all sympathy with the idea of equality of conditions; he hesitated about applying the graduated taxation principle to anything but legacies; he explicitly said he would do nothing to discourage the cumulative principle in the rich, or the habit of industry in the poor; he asked mainly for free schools, free libraries, free parks, and other things of a like character; but then he asked for them as a penalty for wrong-doing, instead of an obligation of ability—as a ransom to be paid by the rich, or by society generally, for having ousted the poor out of their aboriginal rights. Mr. Chamberlain merely pled for useful social reforms in a socialistic spirit.

The favourite theory on which the German State socialists proceed seems to be that men are entitled to an equalization of opportunities, to an immunity, as far as human power can secure it, from the interposition of chance and change. That

at least is the view of Professor Adolph Wagner, whose position on the subject is of considerable consequence, because he is the economist-in-ordinary to the German Government, and has been Prince Bismarck's principal adviser in connection with all his recent social legislation. Professor Wagner may be taken as the most eminent and most authoritative exponent of the theory of State socialism, and he recently developed his views on the subject afresh in some articles in the Tübingen *Zeitschrift für die Gesammten Staatswissenschaften* for 1887, on "Finanz-politik und Staatsozialismus." According to Wagner, the chief aim of the State at present—in taxation and in every other form of its activity—ought to be to alter the national distribution of wealth to the advantage of the working class. All politics must become social politics; the State must turn workman's friend. For we have arrived at a new historical period; and just as the feudal period gave way to the absolutist period, and the absolutist period to the constitutional, so now the constitutional period is merging in what ought to be called the social period, because social ideas are very properly coming more and more to influence and control everything, alike in the region of production, in the region of distribution, and in the region of consumption. Now, according to Wagner, the business of the State socialist is simply to facilitate the development of this change—to work out the transition from the constitutional to the social epoch in the best, wisest, and most wholesome way for all parties concerned. He rejects the so-called "scientific socialism" of Marx and Rodbertus and Lassalle, and the practical policy of the social democratic agitation; and he will not believe either that a false theory like theirs can obtain a lasting influence, or that a party that builds itself on such a theory can ever become a real power. But, at the same time, he cannot set down the socialistic theory as a mere philosophical speculation, or the socialistic movement as merely an artificial product of agitation. The evils of both lie in the actual situation of things; they are products—necessary products, he says—of our modern social development; and they will never be effectually quieted till that development is put on more salutary lines. They have a soul of truth in them, and that soul of truth in the

doctrines and demands of radical socialism is what State socialism seeks to disengage, to formulate, to realize. It is quite true, for example, that the present distribution of wealth, with its startling inequalities of accumulation and want, is historically the effect, first, of class legislation and class administration of law; and second, of mere blind chance operating on a legal *régime* of private property and industrial freedom, and a state of the arts which gave the large scale of production decided technical advantages. In one of his former writings, Professor Wagner contended that German peasants lived to this day in mean thatched huts, simply because their ancestors had been impoverished by feudal exactions and ruined by wars which they had no voice in declaring; and he seems to be now as profoundly impressed with the belief that the present liberty allowed to unscrupulous speculators to utilize the chances and opportunities of trade at the cost of others is producing evils in no way less serious, which ought to be checked effectively while there is yet time. So long as such tendencies are left at work, he says it is idle trying to treat socialism with any cunning admixture of cakes and blows, or charging State socialists with heating the oven of social democracy. State socialists, he continues, comprehend the disease which Radical socialists only feel wildly and call down fire to cure, and they are as much opposed to the purely working-class State of the latter, as they are to the purely constitutional State of our modern *Liberalismus vulgaris*, as Wagner calls it.

The true Social State lies, in his opinion, between the two. What the new social era demands—the era which is already, he thinks, well in course of development, but which it is the business of State socialism to help Providence to develop aright—is the effective participation of poor and rich alike in the civilization which the increased productive resources of society afford the means of enjoying; and this is to be brought about in two ways: first, by a systematic education of the whole people according to a well-planned ideal of culture, and second, by a better distribution of the income of society among the masses. Now, to carry out these requirements, the idea of liberty proper to the constitutional era must naturally be

finally discarded, and a very large hand must be allowed to the public authority in every department of human activity, whether relating to the production, distribution, or consumption of wealth. In the first place, in order to destroy the effect of chance and of the utilization of chances in creating the present accumulations in private hands, it is necessary to divert into the public treasury as far as possible the whole of that part of the national income which goes now, in the form of rent, interest, or profit, into the pockets of the owners of land and capital, and the conductors of business enterprises. Wagner would accordingly nationalize (or municipalize) gradually so much of the land, capital, and industrial undertakings of the country as could be efficiently managed as public property or public enterprises, and that would include all undertakings which tend to become monopolies even in private hands, or which, being conducted best on the large scale, are already managed under a form of organization which, in his opinion, has most of the faults and most of the merits of State management—viz., the form of joint-stock companies. He would in this way throw on the Government all the great means of communication and transport, railways and canals, telegraphs and post, and all banking and insurance; and on the municipalities all such things as the gas, light, and water supply. Although he recognises the suitability of Government management as a consideration to be weighed in nationalizing an industry, he states explicitly that the reason for the change he proposes is not in the least the fiscal or economic one that the industry can be more advantageously conducted by the Government, but is a theory of social politics which requires that the whole economic work of the people ought to be more and more converted from the form of private into the form of public organization, so that every working man might be a public servant and enjoy the same assured existence that other public servants at present possess.

In the next place, since many industries must remain in private hands, the State is bound to see the existence of the labourers engaged in private works guaranteed as securely as those engaged in public works. It must take steps to provide them with both an absolute and a relative increase of wages

by instituting a compulsory system of paying wages as a percentage of the gross produce; it must guarantee them a certain continuity of employment; must limit the hours of their labour to the length prescribed by the present state of the arts in the several trades; and supply a system of public insurance against accidents, sickness, infirmity, and age, together with a provision for widows and orphans.

In the third place, all public works are to be managed on the socialistic principle of supplying manual labourers with commodities at a cheaper rate than their social superiors. They are to have advantages in the matters of gas and water supply, railway fares, school fees, and everything else that is provided by the public authority.

In the fourth place, taxation is to be employed directly to mitigate the inequalities of wealth resulting from the present commercial system, and to save and even increase the labourer's income at the expense of the income of other classes. This is to be done by the progressive income-tax, and by the application of the product of indirect taxation on certain articles of working-class consumption to special working-class ends. For example, he thinks Prince Bismarck's proposed tobacco monopoly might be made "the patrimony of the disinherited."

In the fifth place, the State ought to take measures to wean the people not only from noxious forms of expenditure, like the expenditure on strong drink, but from useless and wasteful expenditure, and to guide them into a more economic, far-going, and beneficial employment of the earnings they make.

Now for all this work, involving as it does so large an amount of interference with the natural liberty of things, Wagner not unreasonably thinks that a strong Government is absolutely indispensable—a Government that knows its own mind, and has the power and the will to carry it out; a Government whose authority is established on the history and opinion of the nation, and stands high above all the contending political factions of the hour. And in Germany, such an executive can only be found in the present Empire, which is merely following "Frederician and Josephine traditions" in

coming forward, as it did in the Imperial message of November, 1881, as a genuine "social monarchy."

In this doctrine of Professor Wagner we find the same general features we have already seen in the doctrine of Rodbertus. It is true he would not nationalize all industries whatsoever; he would only nationalize such industries as the State is really fit to manage successfully. He admits that uneconomic management can never contribute to the public good, and so far he accepts a very sound principle of limitation. But then he applies the principle with too great laxity. He has an excessive idea of the State's capacities. He thinks that every business now conducted by a joint-stock company could be just as well conducted by the Government, and ought therefore to be nationalized; but experience shows—railway experience, for example—that joint-stock management, when it is good, is better than Government management at its best. Then Professor Wagner thinks every industry which has a natural tendency to become in any case a practical monopoly would be better in the hands of the Government; but Government might interfere enough to restrain the mischiefs of monopoly—as it does in the case of railways in this country, for example—without incurring the liabilities of complete management. Professor Wagner would in these ways throw a great deal of work on Government which Government is not very fit to accomplish successfully, and he would like to throw everything on it, if he could overcome his scruples about its capabilities, because he thinks industrial nationalization would facilitate the realization of his particular views of the equitable distribution of wealth. It is true, again, that Wagner's theory of equitable distribution is not the theory of Rodbertus—he rejects the right of labour to the whole product; but his theory, if less definite, is not less unjustifiable. It is virtually the theory of equality of conditions which considers all inequalities of fortune wrong, because they are held to come either from chance, or—what is worse—from an unjust utilization of chance, and which, on that account, takes comparative poverty to constitute of itself a righteous claim for compensation as against comparative wealth. Now, a state of enforced equality of conditions would probably be found neither possible

nor desirable, but it is in its very conception unjust. It may be well, as far as it can be done, to check refined methods of deceit, or cruel utilizations of an advantageous position, but it can never be right to deprive energy, talent, and character of the natural reward and incentive of their exertions. The world would soon be poor if it discouraged the skill of the skilful, as it would soon cease to be virtuous if it ostracized those who were pre-eminently honest or just. The idea of equality has been a great factor in human progress, but it requires no such outcome as this. Equality is but the respect we owe to human dignity, and that very respect for human dignity demands security for the fruits of industry to the successful, and security against the loss of the spirit of personal independence in the mass of the people. But while that is so, there is one broad requirement of that same fundamental respect for human dignity which must be admitted to be wholly just and reasonable—the requirement which we have seen to have been recognised by the English economists—that the citizens be, as far as possible, secured, if necessary by public compulsion and public money, in the elementary conditions of all humane living. The State might not be right if it gave the aged a comfortable superannuation allowance, or the unemployed agreeable work at good wages; but it is only doing its duty when, with the English law, it gives them enough to keep them, without taking away from the one the motives for making a voluntary provision against age, or from the other the spur to look out for work for themselves.

It will be said that this is a standard that is subject to a certain variability; that a house may be considered unfit for habitation now that our fathers would have been fain to occupy that shoes seem an indispensable element of humane living now, though, as Adam Smith informs us, they were still only an optional decency in some parts of Scotland in his time. But differences of this nature lead to no practical difficulty, and the standard is fixity of measure itself when compared with the indefinite claims that may be made in the name of historical compensation, or wild theories of distributive justice, and it makes a wholesome appeal to recognised obligations of humanity instead of feeding a violent sense of unbounded

hereditary wrong. At all events, it presents the true equality —equality of moral rights—over against the false equality of State socialism—equality of material conditions; and it is able to present a better face against that system, because it recognises a certain measure of material conditions among the original moral rights. For this reason the English theory of social politics is the best practical criterion for discriminating between socialistic legislation and wholesome social reforms. The State socialistic position cannot be advantageously attacked from the ground of Mr. Spencer and the adherents of *laissez-faire*, who merely say, Let misfortune and poverty alone; whether remediable or irremediable, they are not the State's affairs. The two theories nowhere come within range; but the English theory meets State socialism at every point, almost hand to hand, for it admits the State's competency to deal with poverty and misfortune, and to alter men's material conditions to the extent needed for the practical realization of their full moral rights.

III. *State Socialism and Social Reform.*

On this English theory of social politics, the State, though not socialist, is very frankly social reformer, and those schools of opinion, which are usually thought to have been most averse to Government intervention, have been among the most earnest in pressing that *rôle* upon the State. Cobden, I presume, may be taken as a fair representative of the Manchester school, and Cobden, with all his love of liberty, loved progress more, and thought the best Government was the Government that did most for social reform. When he visited Prussia in 1838, he was struck with admiration at the paternal but improving rule he found in operation there. "I very much suspect," he said, "that at present for the great mass of the people Prussia possesses the best Government in Europe. I would gladly give up my taste for talking politics, to secure such a state of things in England. Had our people such a simple and economical Government, so deeply imbued with justice to all, and aiming so constantly to elevate mentally and morally its population, how much better would it be for the twelve or fifteen

millions in the British Empire, who, while they possess no electoral rights, are yet persuaded they are freemen!" So far from thinking, as the Manchester man of polemics is always made to think, that the State goes far enough when it secures to every man liberty to pursue his own interest his own way, as long as he does not interfere with the corresponding right of his neighbours, the Manchester man of reality takes the State severely to task for neglecting to promote the mental and moral elevation of the people; the chief end of Government being to establish not liberty alone, but every other necessary security for rational progress. The theory of *laissez-faire* would of course permit measures required for the public safety, but what Cobden calls for are measures of social amelioration. Provisions for the better protection of person and property, as they exist, against violence or fraud, make up but a small part of legitimate State duty, compared with provisions for their better development, for enlarging the powers of the national manhood, or the product of the national resources. The institution of property itself is a provision for progress, and could never have originated under the system of *laissez-faire*, which now makes it a main branch of State work to defend it. In the form of permanent and exclusive possession, it is undoubtedly a contravention of the equal freedom of all to the use of their common inheritance, committed for the purpose of securing their more productive use of it. It interferes with their access to the land, and with the equality of their opportunities, but then it enhances and concentrates the energies of the occupants, and it doubles the yield of the soil. It promotes two objects, which are quite as paramount concerns of the State as liberty itself—it improves the industrial manhood of the nation, and it increases the productivity of the natural resources; and institutions that conduce to such results are not really infractions of liberty, but rather complements of it, because they give people an ampler use of their own powers, and create, by means of the increase of production they work, more and better opportunities than those they take away.

Now the lines of legitimate intervention prescribed by the necessities of progress, and already followed in the original

institution of property, will naturally, when extended through our complicated civilization, include a very considerable and varied field of social and industrial activity, and this has been all along recognised by the English economists and statesmen. While opposed to the State doing anything either moral or material for individuals, which individuals could do better, or with better results, for themselves, they agreed in requiring the State, first, to undertake any industrial work it had superior natural advantages for conducting successfully; and second, to protect the weaker classes effectively in the essentials of all rational and humane living—in what Adam Smith calls "an undeformed and unmutilated manhood"—not only against the ravages of violence or fear or insecurity, but against those of ignorance, disease, and want. Smith, we know, would even save them from cowardice by a system of military training, and from fanaticism by an established Church, because, he said, cowardice and fanaticism were as great deformities of manhood as ignorance or disease, and prevented a man from having command of himself and his own powers quite as effectually as violence or oppression. Laws which give every man better command and use of his own energies are in manifest harmony with liberty, and for the State to do such industrial work as it has special natural advantages for doing is conformable with the principle of free-trade itself, which has always prescribed to men and nations as the best rule for their prosperity, that they should concentrate their strength on the branches of industry they possess natural advantages for cultivating, and give up wasting their labour on less productive employment. Mr. Chamberlain is certainly wrong in thinking over-government an extinct danger under democratic institutions, a mere survival from times of oppression which haunts the people still, though they are their own masters, with foolish fears of over-governing themselves. In reality, the danger has much more probably increased, as John Stuart Mill believed, for if we cannot over-govern ourselves, we can very easily and cheerfully over-govern one another, and a majority may impose its brute will with even less scruple than a monarch; but however that may be, those who tremble most sincerely for the ark of liberty cannot see any undue contraction of the field of

individual action in an extension of authority for either of the two purposes here specified, for the purpose of undertaking industrial work which private initiative cannot prosecute so advantageously, or of making more secure to the weaker citizens those primary conditions of normal humanity, which are really their natural right. The first of these purposes is quite consistent with the principles of men like W. von Humboldt, who contend that the best means of national prosperity is the cultivation to the utmost of the individual energy of the people, and who are opposed to Government interference because it represses or supplants that energy. They welcome everything that tends to economize and develop energy, to place things in the hands of those that can do them best, and generally to increase the productive capacity of the whole community. They believe that machinery, division of labour, factory systems, keenest conditions of competition, however they may at first seem to contract men's opportunities of employment, always end in multiplying them, and, because they increase or economize the productive powers of those actually employed, really expand the field of employment for all. Now Government management would of course have a like operation wherever Government management effected a like economy or increase in the productive powers of society, and would really expand the field of individual initiative which it appeared to contract; and those who believe most in individual energy and its power of seeking out for itself the most advantageous new outlets, will find least to complain of in an intervention of authority which releases men from work ill-suited to their powers to do, and sends them into work where their powers can be more fruitfully occupied.

The second purpose of legitimate intervention seems even less open to objection from that side. The State is asked to go in social reform only as far as it goes in judicial administration—it is asked to secure for every man as effectively as it can those essentials of all rational and humane living which are really every man's right, because without them he would be something less than man, his manhood would be wanting, maimed, mutilated, deformed, incapable of fulfilling the ends of its being. Those original requirements of humane existence

are dues of the common nature we wear, which we cannot see extinguished in others without an injury to our own self-respect, and the State is bound to provide adequate securities for one of them as much as for another. The same reason which justified the State at first in protecting person and property against violence, justified it yesterday in abolishing slavery, justifies it to-day in abolishing ignorance, and will justify it to-morrow in abolishing other degrading conditions of life. The public sense of human dignity may grow from age to age and be offended to-morrow by what it tolerates to-day, but the principle of sound intervention is all through the same—that the proposed measure is necessary to enable men to live the true life of a man and fulfil the proper ends of rational being. A thoughtful French writer defends State intervention for the purpose of social amelioration as being a mere duty of what he calls reparative justice. Popular misery and decadence, he would say, is always very largely the result of bad laws and other bad civil conditions, as we see it plainly to have been in the case of the Irish cottiers, the Scotch crofters, and the rural labourers of England, and when the community has really inflicted the injury, the community is bound in the merest justice to repair it. And the obligation would not be exhausted with the repeal of bad laws; it would require the positive restoration to the declining populations of the conditions of real prosperity from which they fell. But though this is a specific ground which may occasionally quicken the State's remedial action with something of the energy of remorse, it is no extension of its natural and legitimate sphere of intervention, and the State might properly take every measure necessary for the effectual restoration of a declining section of the population to conditions of real prosperity on the broad and simple principle already laid down, that the measure is necessary to put those people in a position to fulfil their vocation as human beings. Hopeless conditions of labour are as contrary to sound nature, and as fatal to any proper use of man's energies, as slavery itself, and their mere existence constitutes a sufficient cause for the State's intervention, apart from any special responsibility the State may bear for their historical origin. Even the measure of the required intervention is no

way less, for if its purpose is to preserve some essential of full normal manhood, its only limit is that of being effectual to serve the purpose. The original natural obligation of the State needs no expansion then from historical responsibilities to cover any effectual form of remedial action against the social decadence of particular classes of the population, whether it be the constitution of a new right like the right to a fair rent, the adoption of administrative measures like the migration of redundant inhabitants, or the provision of wise facilities for the rest by the loan of public money.

It is plain, therefore, that we have here within the lines of accepted and even "orthodox" English theory a doctrine of social politics which gives the Government an ample and perfectly adequate place in the promotion of all necessary social reform; and if we are all socialists now, as is so often said, it is not because we have undergone any change of principles on social legislation, but only a public awakening to our social miseries. The Churches, for example, while they left Lord Shaftesbury to fight his battles for the helpless alone, have now shared in this social awakening, and show not only a general ardour to agitate social questions, but even some pains to understand them; but the Churches did not neglect Lord Shaftesbury fifty years ago, because they thought his Factory Bills proceeded from unsound views of the State's functions, but merely because their interest was not then sufficiently aroused in the temporal welfare of the poor, and with all their individual charities they responded little to the grievances of social classes. We are all socialists now, only in feeling as much interest in these grievances as the socialists are in the habit of doing, but we have not departed from our old lines of social policy, and there is no need we should, for they are broad enough to satisfy every claim of sound social reform.

It is only when these lines are transgressed that, strictly speaking, socialism begins; and though it is hopeless to think of confining the vulgar use of the word to its strict signification, it is at least essential to do so if we desire any clear or firm grasp of principle. The socialism of the present time extends the State's intervention from those industrial undertakings it is fitted to manage well to all industrial undertakings what-

ever, and from establishing securities for the full use of men's energies to attempting to equalize in some way the results of their use of them. It may be shortly described as aiming at the progressive nationalization of industries with a view to the progressive equalization of incomes. The common pleas for this policy are, first, the necessity of introducing a distribution of wealth more in accordance with personal merit by neutralizing the effects of chance, which at present throw some into opulence without any co-operation from their own labour, and press thousands into penury in spite of their most honest exertions; and second, the advantage society would reap from the mere economy of the resources at present wasted in unnecessary competition. Both pleas are, however delusive; it is neither good nor possible to suppress chance, and if competition involves some loss, it yields a much more abounding gain.

A sense of the blind play of chance in all things human lies indeed beneath all work of social relief. "Hodie mihi, cras tibi," wrote the good Regent Murray over his lintel to avert the grudge of envy, and the same feeling of the uncertainty of fortune quickens the thought of pity. Men reflect how much of their own comfort they owe to good circumstances rather than good deserts, and how much more bad circumstances have often to do with poverty than bad guiding. To change these bad conditions so far as to preserve for every man intact the essentials of common progressive manhood is a proper object of social work. But while mitigating the operation of chance to that extent is well, to try and suppress its operation altogether would be injurious, even if it were possible. For there is no pursuit under the sun in which chance has not its part as well as skill, and skill itself is often nothing but a quick grasp of happy chance. To discourage the alert from seizing good opportunities on the wing, by confiscating the results and distributing them among the languid and inactive, is the same thing as to discourage them by like means from exerting all their industry in any other way. It violates their individual right with no better effect than to cripple the national production. They are entitled to the best conditions for the successful use of their individual energies, and the best conditions for the use of individual energies are the true securities for

national progress. The sound policy is not the greater equalization of opportunities, but their greater utilization. It may be right to make ships seaworthy and their masters competent navigators, but if one of them gets delayed in a calm or disabled by a storm, while another has caught a fair wind and is carried on to port, it would answer no good purpose to equalize their gains for the mere correction of the inequality in their opportunities. It would relax in both masters alike the supreme essentials of all successful labour—activity, vigilance, enterprise. State action with respect to the quips and arrows of fortune ought to go as far but no farther than State action with respect to the crimes and hostilities of men, or with respect to evil forces of nature like those of infectious diseases—it ought to content itself with effectually protecting the primary conditions of sound manhood against their outrages. It may do what it can, not merely to relieve the unfortunate in their extremity, but to prevent their coming to extremity, to arrest, if possible, their decline, to check or soften the trade fluctuations that often swamp them, and to facilitate their self-recovery; but, when it goes on to suppress or equalize the operation of fortune, it destroys the good with the evil, and even if it removed the tares, would find it had only spoiled the harvest of wheat. The present industrial system has its defects, but it certainly has one immense advantage which would be forfeited under socialism—it tends to elicit to their utmost the talents and energies alike of employers and employed. The languor of the "Government stroke" and the slow mechanism of a State department are unfavourable to an abundant production. The general slackening of industry, and the extinction of those innumerable sources of active initiative which at present are so busy pushing out new and fruitful developments, are too great a price to pay for the suppression of the evils of competition. To effect some economies in the use of capital, we damage or destroy the forces by which capital is produced, and really lose the pound to save the penny.

Even from the standing-point of a good distribution of wealth, if by a good distribution we mean, not an equal distribution of the produce, however small the individual share, but, what is surely much better, a high general level of com-

fort, though considerable inequalities may remain, then an abundant production is still the most indispensable thing, for it is the most certain of all means to that high general level of comfort. Even in those agricultural countries where this result is promoted by a land system favouring peasant properties, the result is largely due to the fact that occupying ownership is itself the best condition for high production; and if we compare the principal modern industrial nations, we shall find labour enjoying the best real remuneration in those where the rate of production is highest, where employers are most competent, machinery most perfected, and labour itself personally most efficient. And, on the other hand, while the general level of comfort rises under a policy that develops productivity even at the risk of widening inequality, the general level of comfort always sinks under the contrary policy which sacrifices productivity to socialistic ideas and claims.

We have practical experience of the working of socialism in various forms, and under the most opposite conditions of culture, and the experience is everywhere the same. Custom in Samoa, for example, gives a man a pretty strict right to go to his neighbour and requisition what he wants, or even to quarter himself in the house without payment, as long as he pleases. No one dares to refuse, for fear of losing credit and suffering reproach. Originating as a well-meant refuge for the distressed, the system has become still more a subterfuge for the lazy, and Dr. Turner sums up his account of it by saying, "This communistic system is a sad hindrance to the industrious, and eats like a canker-worm at the roots of individual and national progress." The disheartening of the industrious has an even worse effect than the encouragement of the indolent; the more they make, the more subject they are to the imposition. The English agricultural labourers belong to a very different state of society from the savages of Samoa. They are of an energetic race, which if it does not positively love work, has probably as little aversion to it as any nation in the world, and seems often really to delight in the hardest exertion; but in England the effect of giving the poor a similar socialistic right was precisely the same as in Samoa. While we are supposed to have been advancing in socialism with our Factory

Acts, we were really retreating from it in our Poor Law. The old English laws which for centuries first fixed labourers' wages, and then made up the deficiencies of the wages, if such occurred, out of the poor rates, were certainly socialistic, and the commission that inquired into their working sixty years ago reported that their worst effect had been to make the labourers such poor workers that they were hardly worth the wages they got. The men were by law unable to earn more if they worked more, or to lose anything if they worked less, and so their very working powers drooped and withered. As most modern socialists put their trust entirely in the old motive of self-interest, and propose to pay every man according to his work, their only resource against such a result would be a stern system of poor-law administration, like the English, and that would of course involve a departure from their favourite ideal of furnishing the dependent poor with as decent and comfortable a living as the independent poor gain for themselves by their work. The change from Samoa to rural England is probably not so great as the change from rural England to Brook Farm and the other experimental communities of the United States, companies of cultivated and earnest people, coming from one of the best civilized stocks, and settling under the favourable material conditions of a new country for the very purpose of working out a socialist ideal. Yet in these American communities, socialistic institutions led to precisely the same results as they did in England and in Samoa, a slackening of industry, and a deterioration of the general level of comfort. No doubt, as Horace Greeley said, who knew these communities well, and lived for a time in more than one of them, there came to them along with the lofty souls, who are willing to labour and endure, "scores of whom the world is quite worthy, the conceited, the crotchety, the selfish, the headstrong, the pugnacious, the unappreciated, the played-out, the idle, the good-for-nothing generally, who, finding themselves utterly out of place, and at a discount in the world as it is, rashly conclude that they are exactly fitted for the world as it ought to be." But the proportion of difficult subjects would not be larger in Brook Farm or New Harmony than it is in the ordinary world outside, and in these communities they would

be under the constant influence of leaders of the highest character and an almost religious enthusiasm. If the new and better economic motives, which romantic socialists like Mr. Bellamy always assure us are to carry us to such great things as soon as the suppression of the present pecuniary motive allows them to rise into operation—if the love of work for its own sake, the sense of public duty, the desire of public appreciation, could be expected to prevail anywhere to any purpose, it would be among the gifted and noble spirits who founded the community of Brook Farm. But the late W. H. Channing, who was a member of the community and looked back upon it with the tenderest feelings, explains its failure by saying: "The great evil, the radical, practical danger, seemed to be a willingness to do work half thorough, to rest in poor results, to be content amidst comparatively squalid conditions, and to form habits of indolence."*

The idleness of the idle was one of the chief standing troubles in all the socialistic experiments of the United States. Mr. Noyes gives us an account of forty-seven communistic experiments which had been made under modern socialist influences in the United States and had failed, while Mr. Nordhoff, on the other hand, furnishes a like account of seventy-two communities, established mainly under religious influences (fifty-eight of them belonging to the Shakers alone), which have been not merely social but economic successes, some of them for more than a hundred years; and one is struck with the degree in which the idler difficulty has contributed to the failure of the forty-seven, and in which the continual and comparatively successful conflict with that difficulty by means of their peculiar system of religious discipline has aided in the success of the other seventy-two. Mr. Noyes is himself founder of the Oneida community, and bases his descriptions of the rest on information supplied by men who were members of the communities he describes, or on the materials collected by Mr. Macdonald, a Scotch Owenite, who visited most of the American communities for the purpose of describing them. No causes of failure are more often

* Frothingham's "W. H. Channing: a Memoir," p. 18.

mentioned by him than "too many idlers" and "bad management." Not that industry was relaxed all round. On the contrary, it seems to have been a peculiarity of the Owenite and Fourierist communities, that the industrious wrought much harder (and in most of them for much poorer fare) than labourers of ordinary life. Macdonald was surprised at the marvellous industry he saw as he watched them, and would say to himself: "If you fail, I will give it up, for never did I see men work so well and so brotherly with each other." But then a little way off he would come on people who "merely crawled about, probably sick (he charitably suggests), just looking on like myself at anything which fell in their way." A very common feeling among members of these communities seems to have been that they were far more troubled with idlers than the rest of the world, because their system itself presented special attractions to that unwelcome class. "Men came," says one of the Trumbull Phalanx, "with the idea that they could live in idleness at the expense of the purchasers of the estate, and their ideas were practically carried out, while others came with good heart for the work." The same testimony is given about the Sylvania Association. "Idle and greedy people," says the writer of this testimony, "find their way into such attempts, and soon show forth their character by burdening others with too much labour, and in times of scarcity supplying themselves with more than their allowance of various necessaries, instead of taking less." Idle and greedy people, no doubt, did get into these communities, but these idle and greedy people constitute, I fear, a very large proportion of mankind, and the point is that socialistic institutions unfortunately offer them encouragement and opportunity. The experience of American communism directly contradicts John Stuart Mill's opinion, that men are not more likely to evade their fair share of the work under a socialistic system than they are now. That difficulty in one form or another was their constant vexation. The members of Owen's community at Yellow Springs belonged in general to a superior class; but one of them, in stating the causes of the failure of that community, says: "The industrious, the skilful, and the strong saw the products of their labour enjoyed by the

indolent, and the unskilled, and the improvident, and self-love rose against benevolence. A band of musicians insisted that their brassy harmony was as necessary to the common happiness as bread and meat, and declined to enter the harvest field or the workshop. A lecturer upon Natural Science insisted upon talking only while others worked. Mechanics whose day's labour brought two dollars into the common stock insisted that they should in justice work only half as long as the agriculturist, whose day's work brought only one." The same evil, according to R. D. Owen, contributed to the fall of New Harmony; "there was not disinterested industry," he says, "there was not mutual confidence." A lady who was a member of the Marlboro' Association in Ohio, a socialistic experiment that lasted four years and then failed, attributes the failure to "the complicated state of the business concerns, the amount of debt contracted, and the feeling that each would work with more energy, for a time at least, if thrown upon his own resources, with plenty of elbow-room, and nothing to distract his attention."

The magnitude of this difficulty only appears the greater when we turn from the forty-seven socialistic experiments which have failed to the seventy-two which have thriven. The Shakers and Rappists are undoubtedly very industrious people, who, by producing a good article, have won and kept for years a firm hold of the American market, and being, in consequence of their institution of celibacy, a community of adult workers exclusively, every man and every woman being a productive labourer, the wonder is they are not wealthier and more prosperous even than they are. Their economic prosperity is based, as economic prosperity always is and must be, on their general habits of industry, and the natural tendency of socialistic arrangements to relax these habits is in their case effectually, though not without difficulty, counteracted by their religious discipline. Idleness is a sin; next to disobedience to the elders, no other sin is more reprobated among them, because no other sin is at once so besetting and so dangerous there, and the conquest and suppression of idleness is a continual object of their vigilance, and of their ordinary devotional practice. Mr. Nordhoff publishes a few of

their most popular hymns, and one is struck with the space the cultivation of personal industry seems to occupy in their thoughts. "Old Slug," as they delight to nickname the idler, is the "Old Adam" of the Shakers, and a public sentiment of hatred and contempt for the indolent man is sedulously fostered by them. As they not only work, but also live under one another's constant supervision, and within earshot of one another's criticism, they more than replace the eye of the master by the keener and more sleepless eye of moral and social police. And if all this discipline fails, they have the last resource of expulsion. They easily make the idler too uncomfortable to remain. "They have," says Mr. Nordhoff, "no difficulty in sloughing off persons who come with bad or low motives." They exercise, in short, the power of dismissal, the last sanction in ordinary use in the old state of society. Not that they make any virtue of strenuous labour. They work moderately, and avoid anything like fatigue or exhaustion. They frankly acknowledged to Mr. Nordhoff, once and again, that three hired men taken in from the ordinary world would do as much work as five or six of their members. Their wants are few and simple, and they are satisfied with the moderate exertion that suffices to supply them; but they will tolerate no shirking of that in any shape or form, and this alone saves them from disaster. The experiences of these successful Shaker and Rappist communities serve, therefore, to show, even better than the experiences of the unsuccessful Owenite and Fourierist communities, the gravity that the idleness difficulty would assume in a general socialistic *régime*, which possessed nothing in the nature of the power of dismissal, and in which we could not calculate either on the formation of an effective public opinion against idleness, or on its effective application if it were formed. The men who founded the unsuccessful communities were far superior to the Shakers in business ability and education, and they had more money to begin their experiments with, but where they failed the Shakers have succeeded through the indirect economic effects of their rigorous religious discipline. But the evidence is as plain in the one case as in the other as to the natural, and even powerful, effect of socialistic arrangements

in relaxing the industry of many sorts and conditions of men.

The same sources of evidence prove with equal clearness the development under socialistic institutions of two other concurrent causes of decline. I have already quoted Mr. Channing's statement that the Brook Farm community showed a disposition to be content with comparatively squalid conditions of life. Mr. Nordhoff would probably not use the word squalid of anything he saw in the Shaker and Rappist communities he describes, except perhaps in certain instances of the state of the public streets; and in some points, such as the scrupulous cleanness of the interior of their houses, he would set them far above their neighbours—you could eat your dinner, he says, off their floors. Still the people he found everywhere content, if not exactly with squalid, certainly with poor and dull and rough conditions of life, much poorer, duller, and rougher than they might easily be. They enjoyed equality, security from harassing anxiety for the morrow, abundance even for their limited wants, independence from subjection to a master, but they were weak in the ordinary springs of progress. The spirit of material improvement was not much abroad among them. Give me the stationary state of society and contentment, you may exclaim; but then even this stationary state is only maintained in these sequestered communities by the constant play of peculiar religious influences which cannot be counted on everywhere, and it would soon change into a declining state in the great seething world outside if it were not effectively counter-worked by the most powerful incentives to progress. Now the same equalizing social arrangements which destroy one of the most essential of these incentives by guaranteeing men the results of industry without its exertion, enfeeble a second by predisposing them to rest content with the lower conditions of life to which they are reduced.

A third cause of decline to which the American experience shows socialistic institutions to be incident is a certain weakness in the management, produced sometimes by divided counsels, sometimes by the delay involved in getting the sanction of a Board to every little detail of business, and

sometimes by a difficulty which we find also shattering similar experiments in France, that men were raised to the Committee by their gifts of persuasion rather than their gifts of administration. Well-meaning persons, with a great itch for managing things, and a great turn for bungling them, for whom there is, under the present order of society, a considerable safety-valve in philanthropy, contrive in a socialistic community to get appointed on the Council of Industry, and play sad havoc with the common good. While they preached and wasted, the really practical men who, with better power of talk, might have confounded them, could only sulk and grumble, and eventually lost heart in their work, and all interest and confidence in the concern. This had much to do, according to Mr. Meeker, an old Fourierist, with the ruin of the North American Phalanx, one of the most important of the transatlantic experiments, and it was the main cause apparently of the downfall of the community of Coxsackie—"They had many persons engaged in talking and law-making who did not work at any useful employment; the consequences were that after struggling on for between one and two years the experiment came to an end." A socialist State would probably have as many difficulties with this bustling but unsatisfactory class of persons as a socialist Phalanx, nor would the evils of divided counsels and departmental delays be a whit milder; and the extension of State management to branches of work for which it had not otherwise some sort of special natural qualification would have the same kind of ruinous operation.

In spirit and effect, therefore, as may be palpably seen from these actual experiments, the equalizing institutions of socialism stand quite apart from the very restricted use of State management and the remedial or invigorating legislation that a sound social policy prescribes. When England is accused of heading the nations in the race of State socialism, because England has nationalized the post and telegraph service, and passed a series of factory and agrarian Acts for the protection of the weaker classes of the people, the accusation is made without proper discrimination. It is not the frequency of the intervention, but its purpose and consequences that make it socialistic. If the

post is better managed by the State than by private initiative, if the factory and agrarian laws merely reinstate weaker classes in the conditions essential for a normal human life, and neither seek nor produce that equalization of the differences of fortune or skill which is fatal to any high and progressive general level of comfort, then there is no State socialism in it at all. State management is not pushed beyond the limit of efficiency, nor popular rights beyond the positive claims of social justice. Let us go a little further into detail.

IV. *State Socialism and State Management.*

What are the conditions of efficient State administration? The State possesses several natural characteristics which give it a decided advantage as an industrial manager, some for one branch of work, some for another. It has stability, it has permanency, and it has—what is perhaps its principal industrial superiority—unrivalled power of securing unity of administration, since it is the only agency that can use force for the purpose. On the other hand, it has one great natural defect, its want of a personal stake in the produce of the business it conducts, its want of that keen check on waste and that pushing incentive to exertion which private undertakings enjoy in the eye and energy of the master. This is the great taproot from which all the usual faults of Government management spring —its routine, red-tape spirit, its sluggishness in noting changes in the market, in adapting itself to changes in the public taste, and in introducing improved methods of production. Government servants may very generally be men of a higher stamp and training than the servants of a private company, but they are proverbial, on the one hand, for a certain lofty disdain of the humble but valuable virtue of parsimony, and, on the other, for an unprogressive, unenterprising, uninventive administration of business.

Now the branches of industry which the State is fitted to carry on are of course those in which its great fault happens to have small scope for play, and in which its great merit or merits have great scope for play; those, for example, which gain largely in efficiency or economy by a centralized adminis-

tration, and suffer little harm comparatively from a routine one. That is the reason Governments always manage the postal service well. In post-office work the specific industrial superiority of Government carries its maximum of advantage, and its specific industrial defect does its minimum of injury. The carrying and delivery of letters from one part of the empire to another require, for efficiency, a single co-ordinated system, and, on the other hand, those operations themselves are of so unvariable and routine a character that little harm is done by their being carried on in a routine spirit; they involve so little capital expenditure—the entire capital of the department in England is only £80,000—that the opportunity for waste and corruption is slight; and being conducted much more largely under the public eye than the affairs of other departments of State, they are consequently subject to the constant and interested criticism of the people whose wants they are meant to satisfy. The same reason explains why Government dockyards and arms factories are always managed so unsatisfactorily. There is, on the one hand, no need in them for any higher unity of administration than is wanted in any ordinary single business establishment; but, on the other, progressiveness and adaptability are of the first moment, routine and obstruction to improvement being indeed among their worst dangers. Then the risk of prodigality and corruption is high, for their capital expenditure is great, and the check of public criticism very distant and ineffectual. So exceptional a business is the post, that the telegraphs, though managed by the same department, have never been managed with the same success. They were bought at first at a ransom, they have involved an increasing loss nearly ever since, and the public have to pay practically as much for their telegrams—perhaps more—than the public of the United States pay to their telegraph companies. Even in the postal department, Government administration shows the usual official slowness in adopting much-needed and even lucrative reforms. Of this, a good example occurred only the other day. It was not until a Boys' Messenger Company was already in the field and doing the work, that the Postmaster-General was brought to recognise, as he said, "the desirability of providing a more rapid means of transmitting

single letters for short distances and under special circumstances than at present exists."

It ought of course to be acknowledged that State management in England is tried under the very worst possible conditions, inasmuch as it is tied to the fortunes and exigencies of political party. No business could be expected to thrive where the supreme control is placed in the hands of a good parliamentary debater, who knows nothing about the special work of the department he undertakes; where, even at that, this inexperienced hand is changed for another inexperienced hand every three or four years; where policy shifts without continuity, to dodge the popular breeze of to-day, or to catch the popular breeze of to-morrow; and where the actual incumbent of office, is always able to evade censure by throwing the responsibility on his predecessors, who are out of office. Well may a sagacious man like Mr. Samuel Laing, with large experience of administration both in the affairs of State and of private companies, exclaim: "I often think what the result would be if the railway companies managed their affairs on the same principles as the nation applies to its naval and military expenditure. Suppose the Brighton Board were turned out every three years, and a new Board came in with new views and a new policy, and new men at the head of the locomotive, traffic, and other spending departments, how long would it be before expenses went up and dividends down?" If State management is to succeed—if it is to have fair play—it must be entirely divorced from party fortunes, while subject, of course, to the criticism of Parliament, under some system like that adopted in Victoria for the management of the railways. In such circumstances the question of the advisability of Government assuming the management of any industry, is a question of balancing the probable gains from the greater unity of the administration against the probable losses from its greater inertia.

There are some exceptional branches of industry in which Government does better than private persons, because private persons have too little interest to do the work well, or even to do it at all, and there are others in which the State's very want of personal interest is its advantage instead of its drawback.

Forestry is the best example of the first sort. One generation must plant, and another cut down, so that the present owner is often unwilling to incur the expense of a speculation of which he is unlikely to live to reap the fruits; but the natural permanence of the State leads it to do more justice to this important branch of production, and experience everywhere shows that State forests are more productive than private ones. In Prussia and Belgium they are nearly twice as productive. The average annual produce of all forests in Prussia (including State forests) is 0·36 thaler per Morgen, but the produce of State forests alone is 0·66 thaler per Morgen. In Belgium the produce of all forests is 19·33 francs per hectare, and of State forests 34·42 francs.* The erection of lighthouses is also a public service, which falls to the State because of individual inability; it cannot be undertaken in any way to make it remunerative to private adventurers.

The best example of an industrial work for which the State's want of personal interest is its advantage is the Mint. Nobody would trust the stamp of a private assayer as he trusts the stamp of the Government, because the private assayer could never succeed in placing his personal disinterestedness so absolutely above the suspicion of fraud. The policy of the official attestation of the quality of commodities is often disputed on the ground that it discourages improvement above the pass standard, but it is never doubted that if a brand is wanted, the brand to command most confidence is the brand of the Crown. Our own Government, out of the infinity of commodities offered for sale, attests none but six—butter, herrings, plate, gun barrels, chains, and anchors—articles in which the dangers of deterioration probably exceed the chances of improvement, and in the case of some of these six there is a strong feeling abroad that the State's intervention is doing more harm than good. Scotch herrings have suffered lately in the German markets, because they were worse cured than the Norwegian, and the herring brand was blamed for the unprogressiveness of the cure. This class of interventions, therefore, is neither numerous now, nor likely to become very numerous in the future.

* Roscher's "Finanz-Wissenschaft," p. 63.

A more important class of undertakings in which the State's industrial advantage lies in its superiority to the temptations of self-interest, is that of industries which naturally assume something of the character of a monopoly, and in which self-interest lacks both the check on its rapacity, and the spur to its activity supplied by effective competition. It is true of more things than railways that when combination is possible, competition is impossible, and the growth of syndicates, trusts and pooling arrangements at the present day has led to considerable agitation for State interference, especially in the case of commodities like salt and coal, which are necessaries of life. Our experience of these things is as yet limited, but so far as it has gone it seems to show that the public dangers dreaded from them are apt to be exaggerated. The combinations fear to raise the price to the public so high as to provoke competition, and in most cases in America have not raised it at all, drawing their advantage rather from the reduction in expense of management, and the saving of capital; and the State would not be likely to manage industries producing for the markets any better than, or even so well as, the more keenly interested board of private directors. But if the balance of evidence seems against public management in this class of monopolies, it stands, I think, decidedly in favour of public management in another and not unimportant class. The gas and water supply of towns is a monopoly, and though the point is not undisputed, it appears to answer better on the whole in public than in private hands, because the management has no interest to serve except the interest of the public. Experience has not been everywhere the same, but usually it has been that under municipal control the quality of the gas has been improved and the price reduced. But this is municipal management of course, not State management, and the difference is material, inasmuch as municipal management, in the case of gas and water supply, is the management of the production of things of general consumption under the direct control of the very people who consume them, so that it is constantly exposed to effective public criticism, perhaps as good a substitute as things admit of for the eye of the master. The natural defect of public management is so mitigated by this

circumstance, that probably of all forms of public management, municipal management is the best, and when applied to branches of production that tend to become monopolies at any rate, it answers well. The question is entirely different with proposals that are sometimes made for converting into municipal monopolies branches of production—such, for example, as the bread supply of the community—which are carried on by individual management under effective competition. To do as well as joint-stock management uncontrolled by competition is one thing; to do as well as individual management subject to competition is another; and so long as public management replaces nothing but the former class of enterprises, which are in any case a sort of natural monoplies, it will never contract the vast field of individual enterprise to any very serious extent.

When we pass from municipal monopolies to State monopolies, the problem becomes more grave. The two largest current proposals of this kind are those of land nationalization and railway nationalization. The former proposal, though much more noisily advocated than the other, has incomparably the weaker case. For apart altogether from the mischief of making every rent settlement a political question, and looking at the matter merely in its economic aspect, land, of all things, is that which is least suited for centralized administration, and yields its best results under the minute concentrated supervision of individual and occupying ownership. The magic of property is now a proverbial phrase; it is truer of land than anything else, and it merely means that for land interested administration is everything, comprehensive administration nothing, that the zeal of the resident owner to improve his own land knows no limit, whereas the obstructive forces of routine and official inertia have nowhere more power to blight than in land management. In Adam Smith's time, as he mentions in the "Wealth of Nations," the Crown lands were everywhere the least productive lands in their respective countries, and the experience is the same still. It is so even in Prussia, in spite of its economical and skilled bureaucracy. Professor Roscher says it is a common remark in Germany that Crown lands sell for a greater number of years' purchase than other lands, because they are

known to be less improved, and are therefore expected to yield better results to the energy of the purchaser, and he quotes official figures for 1857, showing that the domain land of Prussia had not risen in value so much as the other land in the country. Great expectations are often entertained from the unearned increment, though there is not likely to be much of that in agricultural land for years to come; but what is a much more important consideration for the community is the earned increment, and under State management the earned increment would infallibly decline. Of course, this does not exclude the necessity of strict State control, so far as required by justice, humanity, and the growth and comfort of the general community. Under land nationalization here I have not considered schemes which do not give the State any real ownership in the land more than it at present enjoys, or, at any rate, place no real management of the land in its hands. The rival schemes of Mr. A. R. Wallace and Mr. Henry George are really only more or less objectionable methods of increasing the land-tax.

The question of a State railway is not so easily determined. There are certainly few branches of business where unity of administration is more advantageous, or where the public would benefit more from affairs being conducted from the public point of view of developing the greatest amount of gross traffic, instead of from the private point of view of making the greatest amount of net profit. A railway differs from other enterprises, because it affects all others very seriously for good or ill; it may for the sake of more profit give preferences that are hurtful to industrial development, or deny facilities that are essential to it. A private company may find it more profitable to carry a less quantity at a high rate than a greater quantity at a low, and it cannot be expected to run a line that does not pay, though the general community might benefit greatly more by the increase of traffic which the line creates than covers the loss incurred by running it. Now it is impossible to exaggerate the importance of having a public work like a railway, which can help or hinder every trade in the land, conducted from a public point of view instead of a private, and the present discussion in this country on rates and fares points to the desirability of changes to which private companies are not

likely to resort of their own accord, nor the railway commission to be able to compel them. But, on the other hand, it is equally impossible to exaggerate the risks of the undertaking. The post office, with its capital of £80,000, is a plaything to the railways with their capital of £800,000,000, and their revenue little short of that of the State itself. The operations are of a most varied nature, and only some of them could be exposed to effective criticism. The mere transaction of purchase excites in many minds a not unreasonable fear. If Government made a bad bargain with the telegraph companies, it would be sure to make a worse with the railway companies, who are fifty times more powerful; and besides, it would very likely have to borrow its money at a higher figure, for though it could borrow two millions at 3 per cent., it could not therefore borrow eight hundred millions, for the simple reason that the number of people who want 3 per cent. is limited, most holders of stock preferring investments which, though more risky, offer a prospect of more gain. If in trying to balance these weighty *pros* and equally weighty *cons* one turns to the experience of State railways, he will find that as yet it affords few very sure or decisive data, because it varies in the different countries and times, and has been very differently interpreted.

Of the Continental State railways, those of Belgium and Germany are usually counted the most favourable examples. But Mr. Hadley, in his excellent work on Railway Transportation, shows that the State lines of Belgium were conducted in an extremely slovenly, perfunctory way until 1853, when private lines began to increase and compete with them, and that though the low rates which this competition was the means of introducing still remain after the private lines have been largely bought out, there has been, on the other hand, latterly a decline in the profits of the State system, an increasing tendency to slackness and inertia in the management, and growing complaints of creating posts to reward political services, and manipulating accounts to suit Government exigencies. In Germany the rates are certainly low and the management economical, but complaints are made that less is done for the encouragement of the national resources, and unprofitable traffic is more severely declined than by the private railways.

On the whole, probably the best State railway system is that of Victoria; charging low rates, self-supporting, offering every encouragement to industrial development; and the opinion of England will probably be largely determined by further observation of that experiment.

The sister colony of New Zealand has made a successful experiment in another department of industrial enterprise, life insurance, for which Government management indeed is highly adapted, because, in the first place, it is a business in which absolute security is of the last consequence, and there is no security like Government guarantee; and in the second, it is a business in which the calculations of the whole administration are virtually matters of mechanical routine. The Government office was only opened in 1871, under the influence of a widespread distrust of private offices, caused by recent bankruptcies, and it now transacts one-third of the life insurance business of the colony; it has probably tended to encourage life insurance, for while there are only 26 policies per 1000 of population in the United Kingdom, there are 80 per 1000 in New Zealand, and its management is much cheaper than that of any other insurance company in the colony, except the Australian United. The proportion of expenses to revenue in the Australian United is 13·66 per cent., in the Government Office 17·23, and in none of the other companies (whose gross business, however, is much smaller) is it under 43·02.

Adam Smith thought there were only four branches of enterprise which were fitted to be profitably conducted by a joint-stock company. We have seen in our day almost every branch of industry conducted by such companies, and an idea is often expressed that whatever a joint-stock company can do, Government can do at least quite as well, because the defect of both is the same. The defect is the same, but Government has it in larger measure. Joint-stock management is certainly much less productive in most industries than private management. The Report of the Massachusetts Labour Bureau for 1878 contains some curious statistics on the subject. There were then in the Commonwealth of Massachusetts, 10,395 private manufacturing establishments, employing in all 166,588 persons, and 520 joint-stock manufacturing establishments,

employing 101,337 persons, and the private establishments, while they paid a much higher average rate of wages than the joint-stock, produced at the same time not far from twice as much for the capital invested. The average wages per head in the private establishments was 474·37 dollars a year, and in the joint-stock was 383·47 dollars a year; while the produce per dollar of capital was 2·58 dollars' worth in the private, and 1·37 dollars' worth in the joint-stock, and though part of this difference is attributed to the circumstance that private manufacturers sometimes hire their factories and companies do not, the substance of it is believed to be due to the inferiority of the joint-stock management. Anyhow, that circumstance could have no influence in producing the very marked difference in the wages given by the two classes of enterprise, and the higher wages would not, and could not, be given unless the production was higher. If all the industries of the country, then, were put under joint-stock management, the result would be (1) a general reduction in the amount produced, and (2) a consequent reduction in the general remuneration of the working classes, and the general level of natural comfort; and the result would be still worse under universal Government management. One of the labourer's greatest interests is efficient management, and if he suffers from the replacement of individual employers by joint-stock companies, he would suffer much more by the replacement of both by the State, excepting only in those few departments of business for which the State happens to possess peculiar advantages and aptitude.

V. *State Socialism and Popular Right.*

The limits of the legitimate intervention of the public authority with respect to the moral development of the community are prescribed by a different rule from those with respect to its material development. Efficiency is still, indeed, a governing consideration, for perhaps more measures for popular improvement fail from sheer ineffectuality than from any other reason. The history of social reform is strewn thick with these dead-letter measures. There is a cry and a lamentation, and a feeling that something must be done; and an Act

of Parliament is passed containing injunctions which no Act of Parliament can enforce, or which address themselves to mere accidental circumstances, and leave the real causes of the evil entirely unaffected. And there would be no impropriety in describing impracticable or ill-directed legislation of this kind as being socialistic, for, besides the old association of socialism with impracticable schemes, impracticable legislation is always unjust legislation, and unjust legislation for behoof of the labouring class is essentially socialistic. Every State interference necessarily involves a certain restriction of the liberty or other general rights of some class of persons; and although this restriction would be perfectly justifiable if it actually secured the prior or more urgent right of another and perhaps much more numerous class of persons, it is injustice, and nothing but injustice, when it merely hurts the former class without doing any good to the latter. It may hurt both classes even—well-meaning meddling often does; but what I desire to bring out here is that labour legislation, which may have been entirely just and free from socialism in its intention, may be unjust and full of socialism in its result. We may therefore, without any fault, include under the head of State socialism that common sort of proposal which, without urging any wrong claim, merely asks the State to do the wrong thing—to do either something it cannot do at all, or something that will not answer the purpose intended. It is socialistic not because it is impracticable, but because it is unjust.

Since well-meant legislation may thus become urgent, and therefore socialistic for want of result, it is plain that the efficiency of the intervention is a very important consideration in determining the State's duty with respect to popular rights. But the primary consideration here is the extent of the moral claim which the individual, by reason of his weakness, has upon the resources of society, and it is upon that consideration that the division of conflicting political theories on the subject turns. All the several theories are agreed that the enlargement of popular rights, when the enlargement is required by a just popular claim, is entirely within the proper and natural province of the State; where they differ, and differ seriously, is partly in their views of the justice of particular elements in

the popular claim of the time being, but more especially in their whole conception of the nature and extent of the popular claim in general. There are still some persons to be found contending that there are no such things as natural rights, and there are plenty who cannot hear the words without a sensation of alarm. But it is now generally admitted, even by those who adopt the narrowest political theories, that legal rights are merely the ratification of moral rights already existing, and that the creation of new legal rights for securing the just aspirations of ill-protected classes of the people belongs to the ordinary daily duties of all civil government. Mr. Spencer very readily admits that some of the latest constituted rights in this country—the new seamen's right of the Merchant Shipping Act, and the new women's right of the Married Women's Property Act—are perfectly justifiable for the prevention in the one case of seamen being fraudulently betrayed into unseaworthy ships, and in the other of women being robbed of their own personal earnings. But then the new rights which he would most condemn—the right to public assistance, the right to education, the right to a habitable dwelling, the right to a fair rent—are quite as susceptible of justification on the ground of natural justice as either the right to a seaworthy ship or the right to one's own earnings. Mr. Spencer's theory errs by unduly contracting men's natural claim. They have a right to more than equal freedom; they have a right, to use Smith's phrase, to an undeformed and unmutilated humanity, to that original basis of human dignity which it is the business of organized society to defend for its weaker members against the assaults of fortune as well as the assaults of men. That is what I have called, for the sake of distinction, the English theory of social politics. On the other hand, socialism unduly extends this claim. The right to fair wages is one thing; the State could not realize it, but it at least represents no unjust aspiration; but the right to an equal dividend of the national income, claimed by utopian socialists, including Mr. Bellamy at the present day, and the right to the full produce of labour claimed by the revolutionary socialists, and meaning, as explained by them, the right to the entire product of labour and capital together, are really rights to

unfair wages, and the whole objection to them is that they are at variance with social justice. If we keep these distinctions in view, we shall be able to discriminate between interventions of authority which are innocent, and interventions which are tainted with State socialism. Take an illustration or two, 1st, of interventions for settling the claims of the poor in society in general, and 2nd, of interventions for adjusting the differences between one class and another, between employer and labourer, between landlord and tenant, and the like.

1. Under the first head, the most important question is the question of public assistance. Prince Bismarck created a considerable European sensation when he first announced his new social policy in 1884, by declaring in favour of the three claims of labour, which have been so commonly regarded as the very alpha and omega of social revolution—the right to existence for the infirm, the right to labour for the able-bodied, and the right to superannuation for the aged. "Give the labourer," he said, "the right to labour when he is able-bodied; give him the right to relief when he is sick; give him the right to maintenance when he is old; and if you do so—if you do not shrink from the sacrifice, and do not cry out about State socialism whenever the State does anything for the labourer in the way of Christian charity—then I believe you will destroy the charm of the Wyden (*i.e.*, Social Democratic) programme." These three rights are really two, the right of relief when one is sick and of maintenance when one is old being only different phases of the right to existence. Now the right to existence and the right to labour are in themselves both perfectly just claims, but the construction Prince Bismarck gave them passed decidedly over into State socialism.

The right to existence is seldom called in question. Malthus, it is true, said a man had a right to live only as he had a right to live a hundred years—*if he could*. He might as well have argued that a man had a right to escape murder only as he had a right to escape murder for a hundred years—*if he could*. It is really because he cannot that he has the right—it is because he cannot protect himself against violence that he has a right to protection from the State, and because, and as far as, he cannot protect himself against starvation that he has a just

claim upon the State for food. And his claim is obviously bounded in the one case as in the other by the ability of society. If society cannot protect him, it is of course absurd to talk of any right to its protection, but if society can, society ought. To suffer a fellow-citizen to die of hunger is felt by a civilized community to be at least as just a disgrace to its government as it would be to leave him a prey to the knife of the assassin, or to the incursions of marauders from over the enemy's border. But as the State furnishes protection against human violence by its courts of justice, and against disease by its sanitary laws, so it furnishes protection against famine and indigence by its legal provision of relief. The claim of the perishing stands on the same footing as any other claim which is an admitted right of man to-day; it is a claim to an essential condition of normal manhood—to existence itself. But then, if the right to existence must be admitted, it can only be admitted where the individual is, for whatever reason, unable to make provision for himself, and it can only be admitted in such measure and form as will not discourage other individuals from trying to make independent provision for themselves before their day of disability comes, because that, in turn, is the way prescribed by normal manhood and true human dignity.

What State socialists claim, however, is not the right to existence, but the right to decent and comfortable existence—the right to the style of living which is customary among the independent poor. The labourer ought, in their eyes, to be treated as a public servant, and his sick pay and his pension ought both to be commensurate with the claims and dignity of honest labour. Now it is of course impossible not to sympathize much with this view, but the difficulty is that if you make assisted labour as good as independent labour, you shall soon have more assisted labour than you can manage, you shall have weakened the push, energy, and forethought of your labouring class, you shall have really done much to destroy that very dignity of labour which you desire to establish. The State may probably, with great advantage, do more for working-class insurance than it at present does. It could conduct the business of the burial benefit and the superannuation benefit better than any private company or friendly society,

because it could offer a surer guarantee and the business is routine; Mr. Gladstone's excellent annuity scheme has remained sterile only because it has not been pushed, and the canvasser and collector are indispensable in working-class insurance. But the socialist proposal is that the State ought to give every man a pension after a certain age, irrespectively altogether of his own contributions. Mr. Webb is one of its most recent advocates, and, according to the useful figures he has taken the trouble to obtain, there are in the United Kingdom 1,700,000 persons over sixty-five years of age, of whom 1,300,000 contrive to pension themselves, either by their own savings or the assistance of their families, while the remaining 400,000 are supported by the rates at an average cost of ten guineas a year. Mr. Webb's proposal is that in order to save the feelings of the 400,000 dependants you are to make the other 1,300,000 persons dependants along with them, and give ten guineas a year all round. But you cannot make a public dole a pension by merely calling it a pension. A pension is a payment made by one's actual employer for work done—it is wages, and the man who has earned his own pension, or has provided it by his own saving, feels himself and is an independent man. It is right to maintain the 400,000—whether out of national or parochial funds is a detail—but sound policy would rather aim at raising the 400,000 to be as the 1,300,000, than at lowering the 1,300,000 to the level of the 400,000. With Mr. Webb it is not a question of giving the 400,000 better allowances than they receive at present—which might be most reasonably entertained—but it is a mere question of not suffering them to be looked down on by the 1,300,000 who have fought their own way, and that is not possible, nor, with all respect for them, is it, from a public point of view, desirable. It is right to support those who cannot support themselves, but it is neither right nor wise to remove all distinction between the dependent poor and the independent.

But the line between State socialism and sound social politics in the matter of public assistance may perhaps be better shown in another branch of Poor Law administration—the right to labour for the able-bodied. The socialist right to labour is the

right of the unemployed to get labour in their own trades and at good or current rates of wages. That is the right which Bismarck substantially admitted in his famous speech. He said there was a crowd of suitable undertakings which the State could establish to furnish the unemployed with a fair day's wage for a fair day's work. It is also practically the right which prevailed in England between 1782, when Gilbert's Act abolished the old workhouse test, and 1835, when the new Poor Law restored it. Gilbert's Act gave the able-bodied poor the right (1) to obtain from the guardians work near their own residence and suited to their respective strength and capacity; (2) to receive for their labour all the money earned by it; and (3) if that sum fell short of their requirements, to have the difference made up out of the parochial funds. The effect of that, as we know, was, that public relief became too desirable, the dependants on it multiplied, the poor rate rose, the wages of labour fell, the very efficiency of the labourer himself withered, and the new Poor Law reverted to the workhouse test, which, harsh though it was considered to be, was in reality a necessary defence of the character and comfort of the labouring class from further decadence.

To provide the unemployed with work in their own trades is only to increase the evil you wish to remedy, for the very existence of the unemployed shows that those particular trades are slack at the time, that there is no demand for the articles they produce, and consequently any attempt by the State to throw fresh supplies of these articles on the already overstocked market can have no other effect than to increase the depression and turn out of employ the men that are still at work. Paying relief work at the common market rate of wages is attended with the same objection. The remedy only aggravates the disease, and what ought to be merely the labourer's temporary resource against adversity tends to grow into his regular staff of life. Relief wages, while sufficient for the family's support, should remain below the current rates so as to give the labourer an effective inducement to seek better employment as soon as better employment can possibly be obtained. The true and natural defence against misfortune is the man's own personal exertion and provision, and the pur-

pose of the public intervention is to stimulate and assist, not to supplant, that *vis medicatrix naturæ*.

But under these limitations a right to labour is a just claim of the unfortunate. It is admitted in the English Poor Law, and it is admitted in the Scotch parochial practice, which constructively considers want of employment a form of sickness or accident, and it requires in both countries to be better realized than it is. 1st: although it is unadvisable to give every man work at his own trade, and although the choice of trades for relief purposes is attended with as much difficulty as the choice of those for prison labour is found to be, yet certainly the circle of relief trades ought to be extended beyond stone-breaking and oakum-picking. Socialists themselves are among the foremost in complaining of the competition of prison labour with honest labour, although they fail to see that precisely the same objection attends the competition of relieved labour in public workshops with unrelieved labour in regular private employment. The kind of work most free from objection on this score would probably be the production of articles now imported from abroad, and there are a great many trades in which, while we make most of their products at home, we import particular articles or sorts of articles for one reason or another. Some of these might be found suitable for the purpose in view. Or the men in the public workshops might be employed in making a variety of things used in public offices, imperial or local. 2nd: what is even more important, a distinction ought to be made between the industrious poor and that residuum of confirmed failures for whom the stoneyard test is really intended, and the former ought not to be made to feel themselves any way degraded in their work, their small remuneration being trusted to act as a sufficient preventive against their permanent dependence on the public for employment. 3rd: then a third and most important requisite is to supplement the public provision of work with a public provision of information about the demand for labour over the country from day to day, so as not merely to support the men in adversity, but to facilitate their restoration to their normal condition of prosperity.

For we ought to recognise that though the problem of the

unemployed is not, as many persons imagine, one of increasing gravity in our time—although, on the contrary, if we go back thirty years, sixty years, or a hundred years, we always find worse complaints and more distressing sufferings from that cause than at present, yet it is certainly a constant problem. The unemployed we have always with us, and even their numbers vary less from time to time than we are apt to suppose. Trades dependent on fine weather are, of course, slack in winter, but then trades dependent on fashion are slack in summer, while there are some large trades—such as the shoemakers—that are made brisk by bad weather. Even a general commercial crisis which throws the workpeople of many trades idle, makes those of others busy. The building trades are always busy in bad times, because money and labour are then cheap, and the opportunity is seized of building or extending factories, and laying down plant of every description. It was so to a very remarkable extent during the Lancashire cotton distress of 1862; it was so all over England in the depression of 1877–78, and the same fact was observed again in Scotland, and commented upon by the factory inspector in 1886. Other trades are brisker in a crisis for less happy causes, *e.g.*, the bakers for the melancholy reason that the working classes are more generally driven from meat to bread. These natural corrections or compensations elicited by the depression itself prevent the numbers of the unemployed from growing so very much larger in a crisis than in ordinary times that their case would not be overtaken satisfactorily by the general systematic provision of relief work, if that were once established. The excess is met now so effectually by a few special local efforts, that we have sometimes far fewer able-bodied paupers in bad years than in good. The number of able-bodied paupers was very much less in the bad years 1876–1878 than in the good years immediately after them, or in the still better years immediately before them. The problem being, then, so largely constant from season to season, and from cycle to cycle, ought clearly to be solved by a permanent and systematic provision.

The same principle which governs this right to labour—the principle of preventing degradation and facilitating self-recovery—governs other social legislation for the unfortunate

besides the Poor Law. It lies at the bottom of the homestead exemptions of America, and our own prohibition of arrestment of tools and wages for debt, and our occasional measures for cancelling arrears. It is the principle laid down by Pitt when he said that no temporary occasion should be suffered to force a British subject to part with his last shilling. He had a right to his last shilling, because he had a right to an undegraded humanity. The last shilling stopped his fall, and perhaps helped him to rise again.

Many persons will admit the right to public assistance, because it seems limited to saving men from extremities, who will see nothing but socialism of a perilous sort in other public provisions, for which popular claims are advanced. Schools, museums, libraries, parks, open spaces, footpaths, baths, are certainly means of intellectual and physical life, which keep the manhood of a community in normal vigour; but, it will be asked, if the State once begins to supply such things, where is it to stop? Is free education to go beyond the primary branches? What length are you to go? is the question Mr. Spencer always raises as a bar to your going at all. But the same question of degree can be raised about everything, about the duties Mr. Spencer himself imposes upon the State as really as about those he refuses to sanction. In the matter of protection, for instance, how many policemen are we required to detail to a district? Or how great an army and navy are we to maintain? During the excitement about the Jack the Ripper murders there was much clamour about the police being too few, and we are subject to periodical panics as to our imperial defences, in the course of which no two persons agree in answering the question, what length are we to go? The question can only be settled of course by measuring the length of our necessities with the length of our purse, and the same class of considerations rules in the other case, the importance and cost of the given provision to a community of such education and culture, together with the impossibility of getting it adequately supplied without public agency. The opinion of the time may vary as to what is essential for a whole and wholesome manhood, and its resources may vary as to what may be easily borne to supply it; but the same variation takes

place with respect to the duties of national defence, or the administration of justice. The objection is therefore nothing more or less than the very ancient and famous logical fallacy with which the Greek sophists used to nonplus their antagonists. As in other affairs, the problem so far will settle itself practically as it goes along, and the important distinction to bear in mind is that to give every man the essential conditions of all humane living is a very different kind of aim from giving every man the same share in the national production, or a lien on his neighbour's luck or industry or alertness.

2. From rights realizing general claims of the unfortunate on society at large, let us now pass to rights realizing special claims of certain weaker classes of society against certain stronger classes. The most typical examples of this sort of legislation are the intervention of the State between buyer and seller, between landlord and tenant, between employer and labourer, for the judicial determination of a fair price, a fair rent, or fair wages, or for the regulation of the conditions of labour, and tenure of land. Professor Sidgwick declares the Irish and Scotch Land Acts, which provide for the judicial determination of a fair rent, to be the most distinctively socialistic measures the English Legislature has yet passed; but in reality these Land Acts are not a bit more socialistic than the laws which fix a fair price for railway rates and fares, and much less socialistic than the old usury Acts which sought to determine fair interest. Such interferences with freedom of contract as these are, of course, only justifiable when the absence of effective competition places the real power of settlement of terms practically in the hands of one side alone, and conduces, therefore, inevitably to the serious injury and oppression of the other. Parliament controls railway charges because the railway companies enjoy a monopoly of most important business, and might use their monopoly to wrong the public, and when Parliament is asked, as it sometimes is, to discourage corners, rings, syndicates, or pooling combinations, it is on the ground that these various agencies are attempts, more or less successful, to exclude competition for the purpose of exacting from the public more than a fair price. On the other hand, the reason why we have given up fixing fair interest now is

because we have come to see that competition, being very effective among money-lenders, fixes it far better for us without the intervention of the law, and, of course, an unnecessary interference with freedom of contract is nothing but pernicious. But, although for ordinary commercial loans the competition of lenders is a sufficient security for the fair treatment of borrowers, it affords no protection against extortion to the very necessitous man, who must accept any terms or starve. His poverty leaves him no proper freedom to make a contract, and the law still condemns oppressive rates of usury, to which, as the Apothecary says in "Romeo and Juliet," the poor man's poverty, but not his will, consents. In such a case, accordingly, an authoritative prescription of fair interest is only a necessary requirement of justice and humanity.

The public determination of fair rent stands on precisely the same ground. The rent of large farms, like the interest on ordinary commercial loans, may be safely left to be settled by commercial competition, because large farms are taken by men of capital as a business speculation, and landlords cannot exact more rent than the farms will bear without driving capital out of agriculture into other branches of production, and so reducing the demand for that class of farms to an extent that will bring the rent down to its proper level again. But the rent of small holdings, like the interest on loans to persons in extremity, is ruled by other considerations. Cottier tenants, between their numbers and their necessities, are continually driven into offering rents the land can never be made to pay, and thereby incurring for the rest of their days the burden of a lengthening chain of arrears little better than Oriental debt-slavery. Other work is hard to find; the land being limited in supply is a natural monopoly; and the State merely steps in to save the tenantry from the injurious effects of their own over-competition for an essential instrument of their labour, and, through their labour, of their very existence. The interference, therefore, is perfectly justifiable if the machinery it institutes can carry out the purpose efficiently, and there is this difference between a court for fixing rent and a court for fixing the price of bread, or beer, or labour, that it is only doing work which in the natural course of things is very usually done by peri-

odical and independent valuation, instead of by the ordinary higgling of the market. It has always been the custom on many large estates to call in a valuator from the outside for the revision of the rents, and a valuator appointed by the Crown cannot be expected to do the work any less effectively than a valuator appointed by the landlord. Moreover, the tendency of opinion seems to be towards the simplication of the process by some self-working scheme, a sliding scale for apportioning an annual rent to the annual production.

State intervention in the determination of the rate of wages is often proposed either for the purpose of settling trade disputes on the subject, or for the purpose of suppressing what is called starvation wages and fixing a legal minimum rate. As for arbitration in trade disputes, the object is, of course, in no way socialistic, for it is strictly allied with the ordinary judicial work of the State, and a public and permanent tribunal would probably answer the purpose much better than a private and merely occasional one; for even although it might not be able to enforce its judgments in all cases by compulsion on the parties, it would be more likely than the other to command their confidence and secure by its moral authority their voluntary submission, and this authority would increase with the experience of the court.

In certain cases compulsory arbitration seems to be required. There are trades in which the public interest may require strikes to be prohibited, in order to prevent a whole community suffering grave privations, perhaps being starved of its supply of a necessary of life. The Trades Union Act imposes express restrictions on combinations among the labourers at gas and water works, and the recent railway strike in Scotland, which not only paralyzed trade for a time, but stopped the supply of coal to whole districts in the middle of the severest winter of the last part of the century, suggested to many minds the propriety of similar interference in railway disputes. But if the State interfered to stop the strike, the State must needs in equity interfere to decide upon the cause of quarrel. And happily these are the very cases which are best fitted for compulsory arbitration, because the trades concerned are not subject to the market fluctuations to which other trades are

liable, and are therefore better suited for fixed settlements of definite and considerable duration.

But what socialists claim is a universal determination of normal wages, so as to give every man the full product of his labour, as the full product of his labour is understood upon their theory. For the present, however, they are content to ask for at least the establishment of a legal minimum rate of wages; in fact, an international minimum rate of wages and an international eight hours working day are the two demands on which their agitation is in the meantime most strenuously concentrated. In their recent policy they have reverted to the kind of remedies they used to speak of with such lofty disdain as mere palliatives, and have only preserved their separate identity from other reformers by asking for these palliatives in their least practicable form. An international compulsory minimum wage is impossible, for even a national one is so, and that is the only objection, but a very sufficient one, to the proposal. If you could wipe out starvation wages by passing an Act of Parliament, let the Act be passed to-morrow, for starvation wages is surely the worst and most exasperating of all the enemies of humane living. To starve for want of power to work is bad; to starve for want of work is worse; but to work and yet starve, to work a long, long day without obtaining the bread that should be its natural reward, is a third and worst degree of misfortune, for it mocks the fitness and equity of things, and seizes the mind like a wrong. If it is right to suppress starvation by law, it would seem more right still to suppress starvation wages; and if the socialist contention were in the least true, that in consequence of the "iron and cruel law" all wages are starvation wages, and all work sweaters' work, that work and starve is the inevitable rule under the present system of things, there would be no good answer to their demand for the abolition of the present system of things But as a matter of fact working and starving is the condition of only exceptional groups of workpeople, and the right to a minimum wage, in the sense of a wage above starvation point, would have no bearing on the great majority of the labouring classes, inasmuch as they stand already on a considerably higher level of remuneration.

Ought the State, however, to fix a legal minimum of wages for the protection of the exceptional groups of workpeople to whose situation such a measure might have relation? The objection to this course comes less from want of justice in the claim than from want of power in the State to realize it. The fixing of a legal minimum rate of wages is a task which it is beyond the State's power to accomplish, except by paying up the minimum out of its own funds; for, though the law fixed a minimum to-morrow, it could not compel employers to engage workmen at that minimum; and if employers found it unprofitable to do so, the only effect of the legislation would be to throw numbers of men out of work, and make their maintenance at the legal minimum an obligation of the public treasury. Of the results of paying wages out of the rates we have had plenty of experience. To suppress starvation wages in this way by direct statute is merely impossible, however, and there would be no taint of socialism in it, if it could be done. Much less can the like objection be made against any milder remedies. The only danger is that they would not prove effectual, and would address themselves to false causes. Take the sweating system of the East End of London, in which, bad conditions of labour always going together, we find starvation wages combined with long hours and unwholesome work-rooms. Two of the favourite remedies are the abolition of sub-contracting and the prohibition of pauper Jewish immigration; but neither of these things is the cause of sweating. The sweating contractor of the East End is not a sub-contractor at all; he is the only contractor in the business, and even if he were a sub-contractor, we know that sub-contractors often pay far better wages than the chief contractor can, because they know their men better, and get better work out of them.

A temporary increase in the Jewish immigration may occasion a temporary aggravation of the difficulty, but the permanent causes lie elsewhere, and even in the way of aggravation a matter of a thousand Jews more, or a thousand Jews less, cannot play an all-important part in a system affecting some hundred thousand workpeople. Sweating is no more incident to Jewish labour than to English labour. The cheap

clothing trade of Birmingham is certainly in the hands of Jews, yet sweating is—or at least was when the factory inspector reported in 1879—absolutely unknown. The wages, he said, were good, the hours were not long, and there were no overcrowded dens. On the other hand, sweating has not only been for years endemic in the East End of London, but has even appeared in a very acute form, apart from any alien influence, in the tailoring trade in Melbourne, the paradise of working people, as it is sometimes not unjustly denominated. The sweating there was conducted largely by ladies who took in bands of learners, and, according to the evidence before the Shopkeepers' Commission of 1883, every second house in some of the suburbs was a shop of that kind. There was an excessive influx of labour into that trade, because little other work could be found for women who entertained, as they do generally in that colony, a prejudice against both factory labour and domestic service. On the other hand, this overflow was diverted in Birmingham into other channels by the comparative abundance of light employments the district afforded. But apart from temporary or local circumstances that serve to aggravate things or alleviate them, the tailor trade is everywhere naturally subject beyond all others to over-competition: (1) because the work can be done at home; (2) because it can be learnt in a few weeks or months well enough to earn starvation wages in a long day at some sorts of work; (3) because it needs as little capital for the contractor to start business as it needs training for the operatives; and (4) because the operatives being scattered about in their own homes, or in small workshops here and there, have a natural difficulty in coming to any concerted action that might otherwise mitigate the effects of the over-competition, and if there is any general remedy for sweating, it must deal with these causes. To replace home-work by common work in wholesome workshops, as far as that can be done, might interfere with what some poor persons found a convenient resource, but would do no harm to the working class generally. The work it was less convenient for some to do would be done by others. The change would remove at once one of the evils of sweating—the unhealthy work-places—and it would contribute to remove the others,

first by facilitating combination, and second by improving the personal efficiency of the labourer and the amount of his production. Dr. Watts, of Manchester, speaking from long experience, tells us in his "Facts of the Cotton Famine" (p. 44) that "men often care more about being employed in a good mill (*i.e.*, a mill with plenty of room, air, and light) than about the exact price per pound for spinning, or per piece for weaving, for they know practically what is the effect of these conditions upon the weekly wages." Various measures have been suggested which have some such end in view—the compulsory registration of the contractor's workrooms and his outworkers, the requiring him to provide workshops for all his hands, the joint liability of the clothier with him for the wholesomeness of the workplaces, the erection of public workshops where workpeople may be accommodated for hire; they may be open to various objections—and there is no space to indicate or discuss them here—but if they are effectual for the purpose contemplated, that purpose saves them at least from the reproach of socialism.

The international compulsory eight hours day is attended with like difficulty. The eight hours day is no necessary plank of socialism, though socialists have at present united to demand it. Rodbertus, the most learned and scientific of modern socialists, always contended that the normal working-day ought not to be of uniform length, but should vary inversely with the relative strain of the several trades, and Mr. Bellamy, under his system of absolute equality of income, makes differences in the hours of labour answer the purpose of regulating the choice of occupation, and preventing too many persons running into the easier trades, and too few into the harder. Nor, indeed, apart from the element of universal compulsion, has the eight hours day anything of socialism in it at all. In some trades it is probably a simple necessity for protecting the workpeople in normal conditions of health; but above all its sanitary benefits it would confer upon the workpeople of every trade alike the much grander blessing of admitting them to a reasonable share of the intellectual, social, domestic, religious, and political life of their time. If the State could bestow upon them this sovereign blessing without forcing them to accept

a reduction of wages, which might deprive them of things even more essential for their elevation, and which would only breed among them an intolerable discontent, by all means let the State declare the glad decree. But experience shows that in matters of this kind the State—and especially the democratic State—is a very limited agent, and cannot successfully enforce its decrees upon unwilling trades. In certain special cases, when the short day is demanded for the purpose of averting admitted dangers to health, as with the miners, or for the safety of the public, as with the railway service, there is a recognised stringency of obligation which is exceptional; but in the great run of trades the question is virtually one of mere preference between an hour's leisure and an hour's pay, and in these circumstances a law has too little moral authority behind it to be practically enforceable by penalties in the absence of decided working-class opinion in its favour in the affected trades. In Victoria more than fifty separate trades have obtained the eight hours day without any parliamentary assistance, and almost the only remaining trades which do not yet enjoy it are the very trades which have been protected by an eight hours Factory Act since 1874. As soon as the Act was passed, the operatives, men and women both, petitioned the Chief Secretary for its suspension, and it has remained in suspended animation to this day. A democratic government cannot risk incurring the discontent of a body of the people merely to prevent them from working an hour more when they want to earn a little more. California has had an Eight Hours Act on the statute-book for even a longer period, but it has remained a mere dead letter, because employers began to pay wages by the hour or the piece, and the men found they did not earn so much in the short day as they used to earn in the long. The same thing has happened in others of the American States, and the friends of the eight hours movement in that country are beginning to think that the reason their long and often hot struggle has hitherto been so fruitless is because they have been wasting their strength in political agitation when they ought to have been cultivating and organizing opinion among the working class themselves trade by trade. The weakness of statutory eight hours movements

has generally flowed from two sources. One is that what their promoters really wanted was not shorter hours, but more wages. Numbers of them sought only to shorten regular time in order to lengthen overtime, and numbers more got themselves persuaded that a general reduction of hours was the grand means of effecting a general rise of wages, either by removing the competition of the unemployed, or in some other way; and it has often been only the few—always the very *élite* of labour—who fought for the eight hours day because they valued the leisure enough to make, if necessary, some little sacrifice for so noble a boon. When, therefore, wages, instead of rising, begin to get reduced, general disappointment is inevitable, and they get reduced—and reduced lower than they otherwise might be—through the second weakness of such movements, which is simply this, that a trades union which is not strong enough to get an eight hours day by their own unaided efforts, without the assistance of the law, is not strong enough to prevent their wages from sinking, and in this matter the law can do nothing to help them. The eight hours day can only be an abiding possession if it come through the successive growth of opinion and organization in one trade after another. The history of the movement in Victoria is the history of such successive triumphs of opinion and organization; as soon as a trade has come to want the eight hours day earnestly enough to be willing to sacrifice something for it, the trade has always got it. In the result they have had to sacrifice very little; scarce one of them suffered a fall of wages by the change, for the simple reason that there was no serious fall in their daily production. The difference between the ten hours day and the eight hours day in Victoria was not two hours, but only three-quarters of an hour, for—at least in the important trades—the old day was ten hours, with an hour and a quarter off for meals; and in eight hours with only one break the men probably did near as much as they did before in the eight hours and three-quarters with a double break. Still, most of the trades took twenty or five-and-twenty years before they ventured to join the movement; and though no country in the world is so much under the control of working-class opinion as Victoria, the proposal of a general legal eight

hours day which has repeatedly come before the Legislature has never been carried into law.

In one sense the eight hours day is the least socialistic of all reforms proposed in the interest of the working class, for it is impossible to make the other classes of society pay for the boon. It may not, perhaps, be quite certain that there will be anything to pay for it at all, for many people assure us production will suffer nothing by the change, and some promise us it will be even increased. But one thing at least is certain: if there is anything to pay, it is the working classes themselves who in the end will and must pay it. The reduction can make no great difference to employers, except on running contracts, or where for any reason they refuse to keep their plant in use by an extra shift, for in the matter of wages they will do under an eight hours system exactly what they do now—pay the men for the amount of work they get out of them and no more; and as they thus produce their goods at the old cost, they can export them at the old price. It need not, therefore, have any permanent effect worth speaking of on the general trade of the country. But if the men do less, their wages will be less too,* and nothing can long keep them what they were. This wages question is the eight hours question; and while it is a question for the men more than for the masters, it is essential they should keep clear of all misconception in deciding it.

There is no way of getting ten hours' pay for eight hours' work except by doing the work of ten hours in the eight. An Eight Hours Act would give working men no new power to raise the rate of wages; and if they cannot by combination get twelve hours' pay for ten hours' work to-day, they cannot by combination get ten hours' pay for eight hours' work to-morrow. It is, indeed, a very current delusion, that a restriction of production must increase wages by necessitating the employment of the unemployed, whose competition tends at present to prevent wages from rising. But that effect could only occur if the same demand for commodities remained, and

* For proof of the position that the rate of wages is determined by the amount of production, see pp. 807–11.

although that might be the case if the restriction were confined to a single branch of industry, while all the rest continued to produce as much as before, it would not be so if the restriction were carried out simultaneously all round. The various trades are one another's customers; the commodities one supplies constitute the demand for the labour of the others; and if the supply is reduced all round, the demand will be reduced all round. To say there is at any moment a fixed amount of work that has to be done whatever the produce of the labour, is, as Professor Marshall very happily observes, to set up a Work Fund Dogma exactly analogous to the old Wages Fund Doctrine of the schools, and, he might have added, a dogma even more dangerous to the prosperity of the working-man. Yet the idea is abroad; it appears in the trade-union policy of "making work"—that is, making work for to-morrow by not doing it to-day; it is a kind of mercantilist delusion of the present century, by which each trade is to cut some advantage for itself out of the sides of the others until they all come to practise the trick in turn and fall to mysterious ruin together.

If the eight hours day is to raise wages, it will not be by limiting production, but by improving it. That the productivity of labour is capable of improving—nay, that it is certain to improve to such an extent as to earn by-and-by more wages in an eight hours day than it now does in a ten—is scarce matter of doubt. Apart from the influence of machinery and invention, there is a great reserve of personal efficiency, especially in English labour, still capable of development. Mr. Nasmyth, the inventor of the steam-hammer, said that he noticed when watching his men at work, that most of them spent at least two-thirds of their time, not in working, but in criticising their work with the square and the straight-edge, which the few dexterous workmen among them almost never required to use. An increase of dexterity might, therefore, make up for a reduction of the day in these trades even to four hours. But the present question is about the probable effect of the reduction itself upon the efficiency of labour, and experience certainly does not justify those who declare that it would increase the daily product. The effect of a reduction from ten hours or nine to eight is, of course, an entirely different

question from the effect of a reduction from twelve or thirteen to ten, because the last two hours' labour in a very long and exhausting day may bear little comparison with the last two hours of a shorter day; and of the exact effect of the particular reduction from ten to eight we possess but scanty evidence, though much might easily be obtained, one would think, from establishments that run, as many do, ten hours in summer and eight hours in winter, or ten hours in busy times and eight hours in slack. We have some American evidence of this sort, but it is very contradictory, a few employers saying that quite as much work was done in the eight hours as in the ten, and others that as much would have been done had the men made a better use of their leisure, while several more complained that the men really did less, and that their energies were positively slackened under the short hours—this also perhaps being a result of the use they made of their leisure. In Victoria the production seems to have been reduced a little, but really so little as to have no very perceptible results, and the leisure is used so well that the working class have made a distinct rise in the scale of being, and have developed a remarkable love of outdoor sports, and spare energy enough to produce some of the most famous cricketers and scullers in the world. There are some trades in which it is possible for production to diminish and yet wages to remain the same, because the difference can be thrown into the price of the product. These are trades supplying a commodity in general and necessary demand of which the consumers will stand a very considerable rise in the price before they will seriously shorten their purchases. Coal is a good example of such a commodity, and the miners are therefore very happily situated for the adoption of an eight hours day. They are more able than most other trades to prevent such a measure from resulting in any fall of wages, and consequently a legal enactment on the subject is less likely with them to create subsequent disappointment, and remain dead letter. They need State help in the matter less than most trades, for they are strong and well organized; but an Eight Hours Act would be more easily enforced among them. Very few trades, however, are in this exceptional position. On the whole, the risk of material loss incurred by the reduction

is slight compared with the certainty and greatness of the moral gain; the material loss will, in any case, be soon made up by industrial improvements, if things progress as they are doing; and if the reduction is more likely to come through the union and organization of the trades themselves rather than by either national or international action, the trades at least need have no serious fear to make the venture.

The idea of settling questions of this kind by international action, which was started at first from the side of the employers as a convenient obstructive, but has since been taken up with great zeal by the young German Emperor and the socialists, is obviously delusive. It ignores the possibilities of the case, for who, in the first place, is to adjust the complicated details of this international handicap, and if they were adjusted, who is to enforce them? No country is likely to be very strict in enforcing those parts of the settlement by which it lost some point of advantage, and those are the only parts for which any such settlement was wanted at all. Besides, international labour treaties are quite unnecessary. Experience all over the world shows that a short-hour State suffers nothing in the competition with a long-hour State. When Massachusetts became a ten-hour State, her manufacturers never found themselves at any disadvantage in competing with those of the neighbouring eleven-hour States of New England, and they would have still less to fear from rivals who employed, not the same Anglo-Saxon labour as they did themselves, but the less efficient labour of Germany or France. The ten-hour day was its own reward. It improved the efficiency of the workpeople to the degree where, in concert with improvements in the management, also due to the shortening of the day, the product of ten hours in Massachusetts was equal to the product of eleven elsewhere. If the same result were to follow the adoption of an eight hours day, which, however, has still to be tested by experiment, there is of course no more reason why one country should wait for another in adopting the eight hours day than in adopting the policy of free trade.

CHAPTER XII.

THE AGRARIAN SOCIALISM OF HENRY GEORGE.

Mr. George sent his "Progress and Poverty" into the world with the remarkable prediction that it would find not only readers but apostles. "Whatever be its fate," he says, "it will be read by some who in their heart of hearts have taken the cross of a new crusade. . . . The truth I have tried to make clear will not find easy acceptance. If that could be, it would have been accepted long ago. If that could be, it would never have been obscured. But it will find friends—those who will toil for it, suffer for it: if need be, die for it. This is the power of the truth" (p. 393). Mr. George's prediction is not more remarkable than its fulfilment. His work has had an unusually extensive sale; a hundred editions in America, and an edition of 60,000 copies in this country are sufficient evidences of that; but the most striking feature in its reception is precisely that which its author foretold; it created an army of apostles, and was enthusiastically circulated, like the testament of a new dispensation. Societies were formed, journals were devised to propagate its saving doctrines, and little companies of the faithful held stated meetings for its reading and exposition. It was carried as a message of consolation to the homes of labour. The author was hailed as a new and better Adam Smith, as at once a reformer of science and a renovator of society. Smith unfolded "The Nature and Causes of the Wealth of Nations," but to Mr. George, we were told, was reserved the greater part of unravelling "the nature and causes of the poverty of nations," and if the obsolete science of wealth had served to make England rich, the young science of poverty was at length to make her people happy with the money. Justice and Liberty were to begin their reign, and our eyes were to see—to quote Mr. George's own words—"the City

of God on earth, with its walls of jasper and its gates of pearl" (p. 392).

The fervour of this first reception may—as was perhaps only natural—have suffered some abatement since, but it affords a striking proof how largely modern society is disquieted by the results of our vaunted industrial civilization. Even those amongst us who are most unwilling to disparage the improvement that has really taken place during the last hundred years in the circumstances of the people, still cannot help feeling that the improvement has fallen far short of what might have been reasonably expected from the contemporaneous growth of resources and productive power. But numbers of people will not allow that any improvement has occurred at all, and deliver themselves to an unhappy and unwarranted pessimism on the whole subject. Because industrial progress has not extinguished poverty, they conclude that it has not even lessened it; that it has no power to lessen it; nay, that its real tendency is to aggravate it, that it increases wealth with the one hand, but increases want with the other, so that civilization has developed into a purely upper-class feast, where the rich are grossly overfilled with good things, and the poor are sent always emptier and emptier away. Invention, they tell us, has followed invention; machinery has multiplied the labourer's productivity at least tenfold; new colonies have been founded, new markets and channels of commerce opened in every quarter of the globe; gold-fields have been discovered, free trade has been introduced, railways and ocean steamers have shortened time and space themselves in our service. Each and all of these things have excited hopes of introducing an era of popular improvement, and each and all of them have left these hopes unfulfilled. They think, therefore, they now do well to despair, and they fortify themselves in their gloom by citing the opinion of Mr. Mill, that "it is questionable whether all the mechanical inventions yet made have lightened the day's toil of any human being," without observing that Mr. Mill immediately follows up that opinion by expressing the confident assurance that it was "in the nature and the futurity" of these inventions to effect that improvement. These gloomy views have in France received the name of

Sisyphism, because they represent the working class under the present industrial system as being struck with a curse like that of Sisyphus, always encouraged by fresh technical advantages to renewed expectations, and always doomed to see their expectations perish for ever.

Now, it was upon these despondent and burdened souls that Mr. George counted so confidently, and, as time has shown, so correctly, for his apostles and martyrs; and he counted so confidently upon them because he had himself borne their sorrows, and drunk of their despair, and because he now believed most entirely that his discoveries would bring "inexpressible cheer" to their minds, as, in the same circumstances, they had already brought inexpressible cheer to his own. "When I first realized," he says, "the squalid misery of a great city"—that is, of the latest and most characteristic product of industrial development—"it appalled and tormented me, and would not let me rest for thinking of what caused it and how it could be cured" (p. 395). Poverty seemed to him to be most abounding and most intense in precisely the most advanced countries in the world. "Where the conditions to which material progress everywhere tends are most fully realized—that is to say, where population is densest, wealth greatest, and the machinery of production and exchange most highly developed—we find the deepest poverty, the sharpest struggle for existence, and the most enforced idleness" (p. 4). Nay, poverty, he thought, seemed "to take a darker aspect" in every community at the very moment when it might be reasonably expected to brighten—at the moment when the community made a distinct advance in material civilization, when "closer settlements and a more intimate connection with the rest of the world and greater utilization of labour-saving machinery make possible greater economies in production and exchange, and wealth increases in consequence, not merely in the aggregate, but in proportion to population" (p. 4). This process of impoverishment might, he says, escape observation in an old country, because such a country has generally contained from time immemorial a completely impoverished class, who could not be further impoverished without going out of existence altogether, but in a new settlement like California,

where he resided, poverty might be seen almost in the act of being produced by progress before one's very eyes. While the colony had nothing better than log cabins or cloth shanties, "there was no destitution," though there might be no luxury. But "the tramp comes with the locomotive, and alm-houses and prisons are as surely the marks of 'material progress' as are costly dwellings, rich warehouses, and magnificent churches" (p. 4). "In the United States it is clear that squalor and misery, and the vices and crimes that spring from them everywhere, increase as the village grows to the city, and the march of development brings the advantages of improved methods of production and exchange. It is in the older and richer sections of the Union that pauperism and distress are becoming most painfully apparent. If there is less deep poverty in San Francisco than in New York, it is not because San Francisco is yet behind New York in all that both cities are striving for? When San Francisco reaches the point where New York now is, who can doubt that there will also be ragged and barefooted children in her streets?" (p. 6). The prospect alarmed and agitated him profoundly. It deprived him, as it has deprived so many of the continental socialists, of all religious belief, for if the real order of things make an ever-deepening poverty to be the only destiny of the mass of mankind, it seemed vain to dream of a controlling Providence or an immortal life. "It is difficult," says he, "to reconcile the idea of human immortality with the idea that nature wastes men by constantly bringing them into being where there is no room for them. It is impossible to reconcile the idea of an intelligent and beneficent Creator with the belief that the wretchedness and degradation, which are the lot of such a large proportion of human kind, result from His enactments; while the idea that man mentally and physically is the result of slow modifications perpetuated by heredity, irresistibly suggests the idea that it is the race life, not the individual life, which is the object of human existence. Thus has vanished with many of us, and is still vanishing with more of us, that belief which in the battles and ills of life affords the strongest support and deepest consolation" (p. 396).

The inquiry Mr. George undertook was consequently one of

the most vital personal concern to himself, and we are glad to think that it has been the means of restoring to him the faith and hope he prizes so much. "Out of this inquiry," he tells us, "has come to me something I did not think to find, and a faith that was dead revives" (p. 395).

It may be ungracious to disturb a peace won so sorely and offered so sincerely to others, but the truth is, Mr. George has simply lost his faith by one illusion and recovered it again by another. He first tormented his brain with imaginary facts, and has then restored it with erroneous theories. His argument is really little better than a prolonged and, we will own, athletic beating of the air; but since both the imaginary facts and the erroneous theories of which it is composed have obtained considerable vogue, it is well to subject it to a critical examination. I shall therefore take up successively, first, his problem; second, his scientific explanation; and third, his practical remedy.

I. *Mr. George's Problem.*

He states his problem thus:—"I propose to seek the law which associates poverty with progress and increases want with advancing wealth" (p. 8). The first rule of scientific investigation is to prove one's fact before proceeding to explain it. "There are more false facts than false theories in the world," and a short examination whether a phenomenon actually exists may often relieve us from a long search after its law. Mr. George, however, does not observe this rule. He seeks for the law of a phenomenon without first verifying the phenomenon itself—nay, apparently without so much as suspecting that it ought to be verified. He assumes a particular view of the social situation to be correct, because he assumes it. But his assumption is a purely subjective and, as will presently be shown, delusive impression. We imagine our train to be going back when a parallel train is going faster forward, and we are apt to take the general condition of mankind to be retrograding when we fix our eyes exclusively on the rapid and remarkable enrichment of the fortunate few. What Mr. George calls "the great enigma of our time" is just the enigma of the apparently receding train, and he proceeds to

solve it by coiling himself in a corner and working out an elaborate explanation from his own inner consciousness "by the methods of political economy," instead of taking the simple and obvious precaution of looking out of the opposite carriage-window and testing, by hard facts, whether his impression was correct. Had he taken this precaution, had he resorted to an examination of the actual state of the facts, he would have found good reason to change his impression; he would have found that on the whole poverty is not increasing, that in proportion to population it is considerably less in the more advanced industrial countries than in the less advanced ones, and that he had simply mistaken unequal rates of progress for simultaneous movements of progress and decline. His impression, it must be admitted, is a prejudice of considerable currency; there are many who tell us, as he does, that want is growing *pari passu* with wealth, and even gaining on it; that if the rich are getting richer, the poor are at the same time getting poorer; but it is a question of fact, and yet no one has ever seriously tried to prove the assertion by an appeal to fact. That Mr. George should have neglected to submit it to such a test is the more remarkable, because he was, as he has told us, "tormented" in mind by it, and because he acknowledges that it is a "paradox"—*i.e.*, against the reason of the case, and that it is also, to some extent at least, against appearances. He owns, for example, that "the average of comfort, leisure, and refinement has been raised," and that though the lowest class may not share in these gains, yet even they have in some ways improved. "I do not mean," he says, "that the condition of the lowest class has nowhere nor in anything been improved, but that there is nowhere any improvement which can be credited to increased productive power. I mean that the tendency of what we call material progress is in no wise to improve the condition of the lowest class in the essentials of healthy, happy human life. Nay, more, that it is to still further depress the condition of the lowest class. The new forces, elevating in their nature though they be, do not act upon the social fabric from underneath, as was for a long time hoped and believed, but strike it at a point intermediate between top and bottom. It is as

though an immense wedge were being forced, not underneath society, but through society. Those who are above the point of separation are elevated, but those who are below are crushed down" (p. 5). From this passage it would appear that, according to Mr. George, the condition of all except the lowest class has improved *in consequence of* material progress, and that the condition of the lowest class has improved *in spite of* it. He does not undertake, it seems, to affirm of any class that it has, as a matter of actual fact, become impoverished in the course of social development, but only that there is a tendency in the increase of productive power—in "the new productive forces"—in "material progress"—to impoverish the lower strata of society. But then he contends that these forces are practising exactly the same tendency on some of the highest strata, on classes that we know have been growing richer and richer every day. For he tells us that these new forces, entering our social system like a wedge, depress all who happen to be on the wrong side; and we shall presently discover that this unhappy company on the wrong side of the wedge embraces many groups of persons who will be excessively astonished to learn that they are there. It includes, not only the poor labourers who live on wages, but the great capitalists who live on profits; the great cotton spinners, ironmasters, brewers, bankers, contractors; the very men, in short, of all the world, whom the new productive forces have most conspicuously and enormously enriched. I shall revert to this preposterous conclusion later on, but at present it is enough to say that a tide, which so many have swum against and swum to fortune, cannot be very formidable, and at all events can furnish no clue whatever to the possible condition of those who are exposed to it. For that we have only one resort. It is a plain question of fact—is poverty really increasing? Are the poor really getting poorer? And this can only be competently decided by the ordinary inductive evidence of facts. The data of this kind which we possess for settling the question may not be so exact as would be desirable, but there is no higher tribunal to which we can appeal. The question must be answered by them, or not answered at all.

Now any data we have all conduct to the conclusion that poverty is not increasing. If poverty were increasing with the increase of wealth, it would show itself either in an increase of pauperism, or in a decline in the general standard of living among the labouring classes, or in a fall in the average duration of life, and these symptoms would be most acute in the countries that are most wealthy and progressive. Now, let us take England as a crucial case of a country in a very advanced stage of industrial development. Is English pauperism greater now than it was before the "new productive forces" entered the country? Is the general standard of living among the labouring classes lower? Is the average duration of life less? Are poverty and the various symptoms of poverty more acute in England than in more backward countries?

In a foot-note to the passage last quoted from his book, Mr. George explains that the improvement he recognises in the lot of the lowest class does not consist in greater ability to obtain the necessaries of life. Does he mean, because more things are now reckoned among the necessaries of life? If so, we fear there is no chance of that difficulty being removed, nor indeed is there any reason for desiring it to be so. Men's wants will always increase with their incomes, and the struggle to make both ends meet may in that case indefinitely continue. But the fact remains that they have more wants satisfied than before, that they realize a higher standard of life, and that is the mark, and indeed the substance, of a more diffused comfort and civilization. It is true that as the general standard of living rises, people feel the pinch of poverty at a higher level than before, and become pauperized for the want of comforts that are now necessary, but which formerly few ever dreamt of possessing. To have no shoes is a mark of extreme indigence to-day; it was the common lot a century ago. People may be growing in general comfort, and yet their ability to obtain necessaries remain stationary, because their customary circle of necessaries may be always widening. The real sign of an advancing poverty is when the circle of recognised necessaries is getting narrow, and yet men have more difficulty in obtaining them than before; in other words,

1st, when the average scale of living falls; and 2nd, when a larger proportion of the people are unable to obtain it, reduced though it be. Now, in England, the contrary has happened; the general standard of living has risen, and the proportion of those who are unable to obtain it has declined.

In a preceding chapter I adduced evidence to show how greatly improved the working-class standard of living now is from what it was two hundred years ago, in the good old times socialist writers like to sing of, when men had not yet sought out many inventions and the world was not oppressed by the large system of production. But let us tap the line between then and now at what point we may, and we find the same result; the tendency is always to a better style of living. Mr. Giffen, for example, in his address, as President of the Statistical Society, on 20th November, 1883, compares the condition of the working classes to-day with their condition half a century since, and concludes from official returns that while the sovereign goes as far as it did then in the purchase of commodities, money wages have increased from 30 to 100 per cent., and, at the same time, the hours of labour have been reduced some 20 per cent. Except butcher-meat and house-rent, every other element of the working man's expenditure is cheaper, and butcher-meat was fifty years ago hardly an element of his expenditure at all, and the kind of house he then occupied was much inferior, as a rule, to what he occupies now, bad as the latter may in many cases be.

But while the general standard of comfort has been rising, the proportion of the population who are unable to obtain it has been diminishing. I have already stated that King estimated the number of persons in receipt of relief in England and Wales in 1688 at 900,000. Now in 1882 the average number in receipt of relief at one and the same time was, according to official returns, 803,719; and if we are right in doubling that figure to find the whole number of paupers relieved in the course of the year (that being the proportion borne in Scotland), then we may conclude that there are some 1,600,000 paupers in England and Wales at the present day. That is to say, with nearly five times the population, we have less than twice the pauperism. The result is far from being

entirely gratifying; a million and a half of paupers (with more than half as many again in Ireland and Scotland) constitute a very grave problem, or rather ganglion of problems; but the fact supplies a decisive enough refutation of the pessimist idea that the actual movement of pauperism has been one of increase instead of one of decrease.

During these two hundred years there is no period in which wealth and productive power multiplied more rapidly than the last thirty years, and, therefore, if Mr. George's ideas were correct, there is no period that should show such a marked increase of pauperism. What do we find? We find that pauperism has steadily declined in England during that period. The decrease has been gradual and attended with no such striking interruptions as were frequently exhibited in former times. But the most remarkable feature about it is that the number of able-bodied paupers has diminished by nearly a half; from 201,644 in 1849 to 106,280 in 1882. That is the very class of paupers whom Mr. George represents it to be the special effect of increasing productive power to multiply, and yet, though wealth and productive power have made almost unexampled progress, and though the population has also considerably risen in the interval, we have not more than half as many of this class of paupers now as we had thirty years ago. No doubt this result is due in part to a better system of administering relief, just as it is due in part to the growth of trade unions and friendly societies, to the extension of savings banks, and to other agencies. But if Mr. George's principle is true, could such a result have taken place at all? If "material progress" has a tendency to multiply "tramps" or able-bodied paupers, the tendency must be weak, indeed, when a little judicious management on the part of public bodies, or of working men themselves, would not only counteract it, but turn the current so strongly the other way. But the truth is that the "tramp" has never been so little of a care in this country as at the present hour, and that it is to material progress we owe his disappearance. He was a very serious problem to our ancestors for centuries and centuries. The whole history of our social legislation is a history of ineffectual attempts to deal with vagrants and sturdy beggars, and we are less troubled

with them now mainly because industrial progress has given them immensely more opportunities of making an honest and regular living. Industrial progress has all along been creating work and annihilating tramps, but it has all along been followed by absurd and perverse complaints like Mr. George's, that it was only creating tramps and annihilating opportunities of work. Mr. George says the tramp comes with the locomotive, but a writer in 1673 (quoted by Sir F. Eden, "State of the Poor," I., 190) declared that he came with the stage-coach. He pictures the happy age before stage-coaches, when (as Mr. George says of California) there might be no luxury, but there was no destitution, when every man kept one horse for himself and another for his groom. But with the introduction of the stage-coach the scene was changed. People got anywhere for a few shillings, and ceased to keep horses. They were so much the richer themselves, but their grooms were ruined and thrown upon the world without horse or home. Now class privations like these are incidental to industrial transformations, and in an age of unusual industrial transitions like ours, they may be expected to be unusually numerous. But the effect of material progress on the whole is to prevent such privations rather than cause them. It multiplies temporary redundancies of labour, but it multiplies still more the opportunities for permanently relieving them. Why are we now free from the old scourges of famine and famine prices? Partly because of free trade, but mainly because of improved communications, because of the steamer and the locomotive. Even commercial crises are getting less severe in their effects. The distress among our labouring classes during the American Civil War was nothing compared with the suffering under the complete paralysis of industry that followed the close of the great continental war in 1815. Miss Martineau tells us of that time:—"The poor abandoned their residences, whole parishes were deserted, and crowds of paupers, increasing in numbers as they went from parish to parish, spread wider and wider this awful desolation." (History of England, I. 39.) No such severe redundancy of labour has taken place since then, and the redundancies that attend changes of fashion or of mechanical agency, though they un-

doubtedly constitute a serious difficulty, are yet lightened and not aggravated by the various and complex ramifications of modern industry. Except a new colony, there is no place where new-comers are so easily taken on as in a highly developed industrial country. There are more poor in Norway than in England, and they are increasing; yet in Norway there is no rent and no great cities. Mr. George may say, and in fact he does say, that in old countries the number of paupers is reduced by simple starvation; but if that were so, the death-rate would be increasing. But in England the death-rate is really diminishing. Let us again quote from Mr. Giffen's address:—"Mr. Humphreys, in his able paper on 'The Recent Decline in the English Death-Rate,' showed conclusively that the decline in the death-rate in the last five years, 1876–80, as compared with the rates on which Dr. Farr's English Life Table was based—rates obtained in the years 1841–45—amounted to from 28 to 32 per cent. in males at each quinquennial of the 20 years, 5–25, and in females at each quinquennial from 5–25, to between 24 and 35 per cent.; and that the effect of this decline in the death-rate was to raise the mean duration of life among males from 39·9 to 41·9 years, a gain of two years in the average duration of life. Mr. Humphreys also showed that by far the larger proportion of the increased duration of human life in England was lived at useful ages, and not at the dependent ages of either childhood or old age. No such change could have taken place without a great increase in the vitality of the people. Not only had fewer died, but the masses who had lived must have been healthier and suffered less from sickness than they did. From the nature of the figures also the improvement must also have been among the masses, and not among a select class whose figures threw up the average. The improvement, too, actually recorded obviously related to a transition stage. Many of the improvements in the condition of the working classes had only taken place quite recently. They had not, therefore, affected all through their existence any but the youngest lives. When the improvements had been in existence for a longer period, so that the lives of all who are living had been affected from birth by the changed conditions, we might infer that even a greater gain in the

mean duration of life will be shown. As it was the gain was enormous. Whether it was due to better and more abundant food and clothing, to better sanitation, to better knowledge of medicine, or to these and other causes combined, improvement had beyond all question occurred." The decline of pauperism in this country then is not due to any increasing mortality in the classes from which the majority of the paupers come; but it is one among many other proofs that these classes have profited, like their neighbours, by the course of material progress. They may not have profited in the same degree as some others, or in the degree we think desirable and believe to be yet possible for themselves. But they have profited. The situation is really, as we have said, one of unequal rates of progress, and not one of simultaneous progress and decline.

And this Mr. George seems, at a later stage of his argument, freely to admit. For when he comes to state "the law which associates poverty with progress and increases want with advancing wealth," he explains that he does not contend that poverty is associated with progress at all, but only that a lessening proportion of the gross produce of society falls to some classes; that want may possibly not in the least increase with advancing wealth; that all classes may be th[illegible]wealthier for the growth of wealth; and practically, t[illegible]the only evidence of the poverty of the poor is the greater richness of the rich. It seems he is not explaining in any wise why the poor are getting poorer, but only why they are not getting rich so fast as some of their neighbours. We must quote chapter and verse for this extraordinary vacillation about the very problem he wants to solve. "Perhaps," he says, in the last paragraph of Book III., chapter vi. (p. 154), "it may be well to remind the reader, before closing this chapter, of what has been before stated—that I am using the word wages, not in the sense of a quantity, but in the sense of a proportion. When I say that wages fall as rent rises, I do not mean that the quantity of wealth obtained by labourers as wages is necessarily less, but that the proportion which it bears to the whole produce is necessarily less. The proportion may diminish while the quantity remains the same, or even increases. If the margin of cultivation descends from the productive point, which

we will call twenty-five, to the productive point we will call twenty, the rent of all lands that before paid rent will increase by this difference, and the proportion of the whole produce which goes to labourers as wages will to the same extent diminish; but if in the meantime the advance of the arts or economies that become possible with greater population have so increased the productive power of labour that at twenty the same exertion will produce as much wealth as before at twenty-five, labourers will get as wages as great a quantity as before, and the relative fall of wages will not be noticeable in any diminution of the necessaries or comforts of the labourer, but only in the increased value of land and the greater comforts and more lavish expenditure of the rent-receiving class." It thus turns out that the alleged impoverishment of the labouring classes through the increasing wealth of society—the sad and desolating spectacle that "tormented" Mr. George "so that he could not rest"—the cruel mystery that robbed him even of his religious faith, and moved him to write his powerful but inconclusive book—this was no real impoverishment at all, but only an apparent one. It is not so much as "noticeable" in "any diminution of the necessaries or comforts of the labourer"; it is noticeable only in "the greater comforts and more lavish expenditure of the rent-receiving class." The poverty of the labourer consists in the greater wealth of the landlord. The poor are not poorer; they only *seem* poorer, because certain of the rich have got so much richer. The problem is thus, on Mr. George's own showing, just the mock problem of the apparently receding train.

But let us take up this new issue. Mr. George's assertion now is that wages are a less proportion of the gross produce of the country than they were, because rent absorbs a correspondingly larger proportion than it did. Is that so? Mr. George does not think of showing that it is: he assumes it, without apparently having the smallest pretence of fact for his assertion. His assumption is entirely wrong. Rent is a much smaller proportion of the gross produce of the country than it was, and wages are not only in their aggregate a larger proportion of the aggregate produce of the country, but in their average a larger proportion of the *per capita* production.

There is no need to rest in random assumptions on the matter. The gross annual produce of the United Kingdom is reckoned at present at twelve hundred millions sterling, and the rent of the land at less than seventy millions, or about one seventeenth of the whole. In the time of King and Davenant, 200 years ago or so, the annual produce of England and Wales was forty-three millions, and the rent of land ten millions—little less than one-fourth. (Davenant's Works, iv., 71.) It is hardly worth while, however, making a formal assertion of so self-evident a proposition as that rent constitutes a much smaller fraction of the national income now that wealth is invested so vastly in trade and manufactures, than it did when agriculture was the one great business of life; but it is perhaps better worth showing that rent does not absorb a greater proportion even of the agricultural produce of the country than it used to do. Rent has risen nearly 200 per cent. in the course of the last hundred years, but it does not take one whit a larger share of the gross produce of the land than it took then.

According to the calculations of Davenant and King, the gross produce of agriculture amounted, at the time of the Revolution, to four rents, or, allowing for tithes, to three rents; but this was only on the arable. The produce of other land, natural pasture and forest land and the like, came to less than two rents; so that while the rent of arable was not more than a third of the produce (or, to state it exactly, 27 per cent.), the rent of land generally was more nearly a half. The figures are—

	Gross Produce.	Rent.
Arable Land	£9,079,000	£2,480,000
Other Land	12,000,000.	7,000,000
Total	£21,079,000	£9,480,000

(Davenant's Works, iv., 70.) Arthur Young, a century later, declares that the doctrine of three rents was already exploded, and that farmers had begun to expend so much on high cultivation that they would be very ill content if they produced no more than three rents. In fact, he declares that even in former times rent could never have amounted to a third of the produce, except on lands of the very first quality, and that a fourth was more probably the average proportion. In his

"Political Arithmetic," published in 1779 (Part II., pp. 27, 31), he estimated the gross agricultural produce of England (exclusive of Wales) at £72,826,827, and the gross agricultural rental at £19,200,000, or 26 per cent.,—very nearly one-fourth of the produce. To come down nearer our own time, M'Culloch estimated the gross agricultural produce of England and Wales in 1842-3 to have been £141,606,857, and the gross agricultural rental £37,795,905, or 26 per cent. of the produce. ("Statistical Account of the British Empire," 3rd Edition, p. 553.) The gross agricultural produce of the United Kingdom is now 270 millions sterling, and the gross agricultural rental 70 millions. Mr. Mulhall, indeed, estimates it at only 58 millions; but at 70 millions it would be, as nearly as possible, 26 per cent.,—curiously enough the same figure exactly as in 1843 and in 1779, and almost the same as in 1689.

So far of rent; now as to wages. I have already, in a former chapter (p. 301), produced some evidence to show that the average labourer's wages bears a higher proportion to the average income of the country than it did in former times, or, in other words, that the labourer enjoys a higher *per capita* share of the gross annual produce of the country as measured in money, and I need not repeat that evidence here. Mr. Mulhall has made some calculations which confirm the conclusions there drawn. ("Dictionary of Statistics," p. 246.) He compares the income of the people of the United Kingdom at the three epochs of 1688, 1800, and 1883. He divides the people into classes and numbers them by families, stating the total income of each class and the total number of families among whom it was divided. I select the two columns containing the results for the whole population and the results for the working class.

(1) Number of Families:—

	A.D. 1688.	A.D. 1800.	A.D. 1883.
Whole Nation . .	1,200,000	1,780,000	6,575,000
Working Class . .	759,000	1,117,000	4,629,000

(2) Earnings:—

	A.D. 1688.	A.D. 1880.	A.D. 1883.
Whole Nation	£45,000,000	£230,000,000	£1,265,000,000
Working Class	11,000,000	78,000,000	447,000,000

A single glance at these tables will show that the aggregate wages of the country constitutes a slightly better proportion of its aggregate annual income at present than in 1800, and a decidedly better proportion than in 1688. But if we look, not to the aggregate income of the class, but to the average income of the individual families it contains, the result is in nowise more favourable to Mr. George's assumption. The following table will show that:—

(3) Average Income of Families:—

	A.D. 1688.	A.D. 1800.	A.D. 1883.
Whole Nation	£37	£129	£189
Working Class. . . .	14	69	96

The average working-class income was thus 37 per cent. of the average income of the country in 1688; 53 per cent. of it in 1800; and 51 per cent. of it in 1883. The difference between the last two epochs is so indecisive that we may count them practically identical. The real position of affairs then as to the proportion of wages to national produce is this, that wages enjoy a considerably larger share of that produce now than they did at the end of the seventeenth century, and about the same proportion as they enjoyed at the end of the eighteenth. If, accordingly, Mr. George resolves to stick by the point of proportion, he would therefore have no more solid ground to stand on than on the point of quantity. Rent, as a proportion of the entire wealth of the country, has enormously declined, and even as a proportion of agricultural wealth has not increased. Wages as a proportion have not declined, but rather risen.

These, among other things, are indications that we have been concluding too hastily that concentration of wealth is the characteristic tendency of the time, and ignoring the existence of many minor and less conspicuous forces which have been working in the contrary direction. The real prospect at present is towards diffusion. The enormous accumulations that have marked the last hundred and fifty years have owed their existence largely to causes that cannot be expected to endure; in the case of land, to vicious laws directly favouring aggregations; and in the case of trade, to

the unparalleled rapidity of the transformations and extensions industry has undergone during the period. Great inequalities are natural to such a time. Huge fortunes are made by pioneers, and will not be easily made by their successors. Railway contracting will never produce again a millionaire like Mr. Brassey, but it will continue to furnish the means of many moderate fortunes and competencies. So with every other new branch of industry, or new field of investment. The lucky person who is the first to occupy it may rise to great riches, but his successors will divide the custom, and instead of one large fortune, there will be a considerable number of small ones. Mr. George himself admits that the opportunities of making large fortunes are growing more limited, but oddly enough he considers the fact to be a signal evidence of "the march of concentration." In his "Social Problems" (p. 59) he writes: "An English friend, a wealthy retired Manchester manufacturer, once told me the story of his life. How he went to work at eight years of age, helping to make twine, when twine was made entirely by hand. How, when a young man, he walked to Manchester, and having got credit for a bale of flax, made it into twine and sold it. How, building up a little trade, he got others to work for him. How, when machinery began to be invented, and steam was introduced, he took advantage of them, until he had a big factory and made a fortune, when he withdrew to spend the rest of his days at ease, leaving his business to his son. 'Supposing you were a young man now,' said I, 'could you walk into Manchester and do that again?' 'No,' replied he, 'no one could. I couldn't with fifty thousand pounds in place of my five shillings.'" The true moral of this little story is of course that it is more difficult to amass a huge fortune in that particular line now than when machinery was young, and that a man with £50,000 to start with must now content himself with a much poorer figure than Mr. George's lucky friend made out of nothing. Would Mr. George compute what limit could be set to the sum his friend might have amassed, had he started in those golden days with £50,000 instead of five shillings? Even as things stood, his solitary success did not distribute the wealth of Manchester any the better

among his fellow-spinners who were not fortunate enough to get credit for a bale of flax, or pushing enough to ask for it, and were not in a position to take advantage of the first introduction of a new power, and rise with it to great wealth. That the stream of things is now making for more moderate fortunes, and more of them, is confirmed by the testamentary statistics of the previous ten years published some time ago by the *Spectator* newspaper. These figures show that the number of fortunes of the first rank left during that period has been very much less than it was in the preceding ten years, but that the number of moderate fortunes has been very much larger.

What the future may hide in it I shall not venture to divine. It will no doubt bring upon industry fresh transformations, but we can hardly expect them to be so numerous or so rapid as in the brilliant era of industrial progress and colonial development we have passed through, and some at least of the changes that are in store for us point, as I have shown in the introductory chapter of this book, to a greater diffusion rather than a greater concentration in the future. Mr. George says: "All the currents of the time run to concentration. To successfully resist it we must throttle steam and discharge electricity from human service" (p. 232). Now steam has undoubtedly been a great concentrator, but electricity, which is likely to take its place in the future, will to all appearance be as great a distributor. Mr. George is equally mistaken regarding the real effect of the other "currents of the time." "That concentration is the order of development," says he, "there can be no mistaking—the concentration of people in large cities, the concentration of handicrafts in large factories, the concentration of transportation by railroad and steamship lines, and of agricultural operations in large fields. The most trivial businesses are being concentrated in the same way—errands are run and carpet sacks are carried by corporations" (p. 232). The concentration of people in cities is not the same thing as the concentration of the wealth of those cities in the hands of a few individuals. The centralization of labour in cities has assisted the birth of the trade union and the co-operative society, which are among the best agencies for

diffusing wealth; and the growth of joint-stock companies is a strange proof of a tendency to greater concentration of wealth, for the joint-stock company is really an instrument of the small capital, enabling it by combination to compete successfully with the larger; and as to agriculture, the real tendency, in this country at any rate, seems to be to lesser holdings. When we complain of the inequalities of our time —and I am far from desiring to underrate their extent or to palliate their mischievousness—we are apt to forget how largely the real and natural process of evolution is after all one of distribution, how much the most conspicuous of the inequalities have been incidental to a transition period, and due to causes of a temporary nature, and how many indications we possess that they are not unlikely to be corrected and moderated in the future course of social development. Some of the official returns made in connection with the income tax show that the immense increase of wealth of the last thirty years has been far from being reaped by any single class, but has been shared pretty evenly by all the classes included in those returns. We possess detailed accounts of the number of persons paying income tax in each grade of income under Schedule D, from the year 1849, and if we compare the figures of that year with those of 1879, we shall obtain a fair index to the movement of distribution during those thirty years. Schedule D, it is true, includes only incomes derived from trades and professions, but these incomes may fairly enough be taken as sufficiently characteristic to afford a trustworthy indication of the general movement. While population increased in the thirty years by 22 per cent., the number of incomes liable to income-tax increased by 161 per cent., and of these, the incomes that have increased in much the largest proportion are precisely those middling or lower middling incomes which I have before shown to have unfortunately declined since 1688. While the number of incomes over £1,000 a year has increased by 165 per cent., the number of incomes between £150 and £400 a year has increased by 256 per cent. Mr. Goschen, in his inaugural address as President of the Royal Statistical Society in December, 1887, produced later evidence showing the continuance, and even growth

of the same tendency. He showed from the Income Tax Returns that, in spite of the increase of population between 1877 and 1886, the number of incomes over £1,000 a year had decreased by 2·40 per cent., and the number of incomes between £500 and £1,000 had remained the same, while the number of incomes between £150 and £500 had increased 21·4 per cent. He showed from the statistics of certain selected public companies, that in the ten years from 1876 to 1886 the number of their shareholders had increased by 72 per cent., while the average capital per shareholder had decreased from £443 to £323. He drew similar conclusions from the probate and inhabited house duty figures, and from several other sources. (See *Journal of Statistical Society*, December, 1887.) These figures prove that the tendency of things, so far as it concerns the classes above the labourers, is not to further and exclusive concentration, but rather towards a wider and beneficial diffusion; and in regard to the labouring classes, it is admitted by all—even by the extremest social pessimists—that the upper and middle strata of them have participated in the progress of wealth equally with their neighbours. There remains only the lowest class of all, and their emancipation is the serious task of social reform in the immediate future; but that class is even now not increasing in the ratio of population; its misery comes from many causes, most of them moral and physical rather than economic; and though it presents difficult and trying problems, there is no reason for renouncing the hope which alone can sustain social reformers to success.

II. *Mr. George's Explanation.*

If there is any force in the foregoing observations, it is plain that there is no such problem as Mr. George has undertaken to explain, and we are therefore exempted from all necessity of examining his explanation. But to Mr. George's own mind his explanation of the appearance that troubled him really constitutes the demonstration of it; at any rate, he offers no other. The question of the increase of poverty is of course a question of fact, that cannot be settled by a *priori* deduction alone; but Mr. George seems to think otherwise. He is too bent on prov-

ing it to be *necessary* to think of asking whether it is *actual*, and even a man of science like Mr. A. R. Wallace, while regretting that Mr. George had not chosen to build his proposals on ground of fact, declares that he adopted an equally legitimate method in deducing his results "from the admitted principles and data of political economy." ("Land Nationalization," p. 19.) Moreover, most of the social pessimism of the present time draws its chief support, exactly like Mr. George's, from the supposed bearing of certain received economic doctrines; and our task would therefore be incomplete if we did not follow Mr. George on this "high *priori* road" on which he so boldly fares forth, and performs, as will presently be seen, many a remarkable feat.

Before beginning his explanation, he throws the problem itself into what he conceives to be a more suitable scientific form. "The cause," says he, "which produces poverty in the midst of advancing wealth is evidently the cause which exhibits itself in the tendency everywhere recognised of wages to a minimum. Let us therefore put our inquiry into this compact form: Why, in spite of increase in productive power, do wages tend to a minimum which will give but a bare living?" (p. 10). The problem, as thus restated, is clearly, be it observed, one of quantity, not of proportion. A bare living is not a relative share, but a definite amount, of produce. But the tendency in wages to such a minimum, which he asserts to be everywhere recognised, is really not recognised at all. In alleging that it is so, Mr. George evidently alludes to the doctrine of wages taught by Ricardo and his school; but what they recognised in wages was a tendency, not to a minimum that would give but a bare living, but to a minimum that would give a customary living; in other words, that would sustain the labourers in the standard of comfort customary among their own class. The economic minimum is not the absolute minimum of a bare living; it is, as Mr. George himself elsewhere puts it, "the lowest amount on which labourers will consent to live and reproduce,"—that is, not the lowest amount on which any individual labourer will do so, but the lowest amount which labouring people in general consider it necessary to earn before they will undertake the responsibility of marriage. If they

were to get less than this, it was contended, they would refrain from marrying to an extent that would tell sufficiently on the supply of labour to force wages up again to their old level. This level was the minimum to which wages constantly tended, but then it was always higher than a bare living; it was determined by the standard of requirements current among the labouring class at the time; and it was recognised to be capable of rising if that standard rose. True, Ricardo and the economists of his generation entertained very poor hopes of any such rise, because the working classes of their time, being without the intelligence, the ideas of comfort, the higher wants that are powerfully operative among the working classes of our day, were generally seen to "take out" their better wages when they chanced to get them in nothing but earlier marriages, which in the end brought their wages down again. We have happily now to do with a more aspiring and a less uniformly composed working class. It is perhaps more aspiring in some measure because it is less uniformly composed. It contains many ranks and inequalities and standards of social refinement and comfort, and the presence of these side by side develops a more active tendency upward, which, by supplying a stronger check than before on improvident marriages, will enable the labourers, class after class of them, to appropriate securely more and more of the common domain of advancing civilization. We have had abundant experience of a rise in the standard of life, and a rise in the rate of wages, both remaining as permanent possessions of sections of the labouring class. But if Ricardo and his school had less faith than they reasonably might have had in the possibility of a permanent upward tendency in wages, they certainly never dreamt of believing in any permanent downward tendency. According to their doctrine the rate of wages moved up and down within certain limits, but always tended to come back to a particular figure—the amount necessary to give the labourer the living customary among his class. This figure was really no more a minimum than it was a maximum; wages were supposed to fall sometimes below it, as they were supposed to rise sometimes above it; and to speak of it as a minimum that would give but a bare living is completely to misrepresent its nature.

The assumption from which Mr. George starts is thus in no wise an admitted principle of political economy, and would therefore not answer the test of legitimacy laid down by Mr. Wallace. It has no ground outside of Mr. George's own imagination. Economists would solve his problem, "why in spite of increased productive power wages tend to a minimum that will give but a bare living?" by simply denying his fact, and having done with it. But Mr. George persuades himself that they would answer it otherwise, and devotes the next section of his book to an elaborate confutation of the false answers he supposes they would return to it. They would either explain it, he thinks, by their theory of the wages fund, or they would explain it by their theory of population; and so before confiding to us his own explanation, he considers it necessary to stop and clear these two venerable theories out of his way. I am not concerned to defend these theories; their truth would not make Mr. George's own view any the falser, nor their falsehood make it any the truer. One of them indeed was dead and buried before Mr. George attacked it, though I am bound to say it would never have fallen before the particular line of attack he directs against it. The wages fund doctrine, which played a considerable *rôle* both in its original form as taught by Senior, and in its subsequent form as modified by M'Culloch, was refuted by Mr. Thornton in 1869, was almost instantly abandoned by the candid mind of Mr. Mill, and is now rarely met with as a living economic doctrine. The wages fund is still regarded of course as having its limit in capital, and in the conditions which generate capital, but since these conditions include among other things the number and efficiency of the labourers, the amount of the wages fund is no longer represented as at any given moment a fixed and predetermined quantity susceptible of no possible alteration to meet the exigencies of the labour market, and when once this characteristic was given up, the wages fund doctrine was seen to have degenerated into little more than a stately truism. The Malthusian theory of population is not in the same way discredited, but it likewise is now generally stated with some reserve. It has become well understood that the earlier economists assigned it too absolute and universal a validity, and that

it is not, as they thought, a law for all ages, and especially and happily not a law for our own. It is true of an era of progressive population and diminishing return from agriculture, but for our day it has been robbed of its terrors by free trade and steam navigation, which have connected our markets with continents of virgin soil, and carried us virtually into an era of increasing return of indefinite duration. The population question was one of serious practical import for our fathers, and as they saw people marrying and giving in marriage, while every fresh bushel of food was extracted with increasing difficulty from an exhaustible soil, they looked with a reasonable dread to the future, and saw no way of hope except in the practice of a heroic continence. But we live in another time. We find population increasing and yet bread cheapening, simply because the locomotive which alarmed Mr. George by taking the tramp to California has brought back plenty to the rest of the world. It is due to the material progress he preaches against that we are the first generation who can afford to make light of the population question, and leave our remote posterity to deal with the peril when it shall actually arrive.

Mr. George, however, is not content with disputing these doctrines; he insists on replacing them with others exactly opposite to them in purport, and for which he claims a like universal validity. He propounds a new population theory, and a new wages fund theory of his own. The more population abounds, the more will subsistence superabound, is his comfortable counter-proposition to Malthusianism. "I assert," says he, "that in any given state of civilization a greater number of people can collectively be better provided for than a smaller. . . . I assert that the new mouths which an increasing population calls into existence, require no more food than the old ones, while the hands they bring with them can in the natural order of things produce more. I assert that, other things being equal, the greater the population, the greater the comfort which an equitable distribution of wealth would give to each individual" (p. 99). In a word, his teaching is that "other things being equal" over-population is a ridiculous impossibility. What may be all concealed under the reservation, "other things being equal," he does not en-

lighten us, but it avowedly contains at least one presupposition of decisive importance to the question, the presupposition of the unlimited productiveness of the soil. Mr. George denies the law of diminishing return. We shall presently find him, in his doctrine about rent, basing his whole book on the operation of this law. But here in his doctrine about population it suits him to deny it, and he does so on singularly fantastical grounds (p. 93). He denies it on the ground that "matter is eternal, and force must for ever continue to act," as if the indestructibility of matter was the same thing as its infinite productiveness. "As the water that we take from the ocean must again return to the ocean, so the food we take from the reservoirs of nature is, from the moment we take it, on its way back to those reservoirs. What we draw from a limited extent of land may temporarily reduce the productiveness of that land, because the return may be to other land or may be divided between that land and other land, or perhaps all land; but this possibility lessens with increasing area, and ceases when the whole globe is considered. That the earth could maintain a thousand billions of people as easily as a thousand millions is a necessary deduction from the manifest truths that at least, as far as our agency is concerned, matter is eternal and force must for ever continue to act. . . . And from this it follows that the limit to the population of the globe can only be the limit of space. Now this limitation of space—this danger that the human race may increase beyond the possibility of finding elbow-room—is so far off as to have for us no more practical interest than the recurrence of the glacial period or the final extinguishment of the sun" (p. 94-5). If this passage means anything, it means that the race may go on multiplying as long as it finds room to stand on, and that even when that limit is reached it can only be squeezed to death and not starved. It can in no case apparently be starved. Subsistence cannot possibly run short, for the inherent powers of the soil are not permanently destructible. But he might as well argue that man must be omnipotent because he is immortal. The question is not one of the durability of the productive powers of the earth—it is one of their limited or unlimited productive capacity. Up to a certain point they may yield the same

return at the same cost year after year *in sæcula sæculorum*, but will they yield more? Manifestly not. Every bushel they give after that is got at continuously increasing cost. Now of course wherever population increases so much, compared with the land at its disposal, that this increasing cost must be incurred in order to find them food, the epoch of diminishing return in agriculture has arrived, and the peril of over-population is already present. Happily, as we have said, that time is not yet, but it will come long, long before the human race fails to find elbow-room in this planet.

Mr. George himself admits that in a country of inconsiderable extent, or in a small island, such as Pitcairn's Island, over-population is quite possible before elbow-room is near exhausted—(p. 74)—and in making the admission he virtually surrenders his case. He admits in detail what he denies in gross. For is not the soil of a small island or of an inconsiderable country as eternal as the soil of a continent? The only difference is that it is not so extensive, and therefore comes to the epoch of diminishing return sooner. That is all. The reason why he makes an exception of such an island is because its inhabitants "are cut off from communication with the rest of the world, and consequently from the exchanges which are necessary to the improved modes of production resorted to as population becomes dense" (p. 74). But if density of population is such a sure improver of production as Mr. George represents it to be elsewhere, why should it fail here? And if it fail anywhere, how can he argue that it must succeed everywhere? Once he admits, as he does in this passage, that subsistence has a definite limit in the modes of production that happen to be known in any age and country, and that population has a definite limit for such age and country in the amount of subsistence which the known modes of production are capable of extracting from the soil, he really admits all that Malthusians generally contend for, and coming to curse, he has really blessed them altogether. The limit of subsistence which he here recognises—the limit imposed by the state of the arts—is far within the limit which he has just been denying, the natural limit to the inherent fertility of the soil, on which economists base their law of diminishing

return. The former point is far sooner reached than the latter. Men will starve because they don't know how to make the best use of nature long before they will starve because nature is used up; and it is exactly that earlier limit on which Malthusians lay stress.

But except for this inconsistent admission in the case of a petty isolated island, Mr. George persistently refuses to recognise any kind of limit to subsistence, either in the productive capacity of the soil or in the state of the arts. He seems to fancy that land will go on yielding larger and larger harvests *ad infinitum* to accommodate an increasing population, and that even if it failed to do so, new inventions or improved processes of production would be constantly discovered when they were needed, and keep the supply of food always equal to the demand. With these crude assumptions in his head, he arrives very easily at his own peculiar theory, which is, that subsistence tends to increase faster than population, because the growth of population itself affords the means of such economies and organization of labour as multiply immensely the productive capacity of each individual labourer. A hundred labourers, he is fond of arguing, will produce much more than a hundred times the amount that one will, and it is therefore clear folly to think of population as capable of encroaching on subsistence. On the contrary, it seems almost fitter to speak of it as a means of positively economizing subsistence. Mr. George's mistake arises from ignoring the fact that subsistence depends on the productive capacity of land as well as on the productive capacity of labour, and the productive capacity of land is not indefinitely progressive.

Mr. George's new wages fund theory is based on a precisely analogous misconception of the real conditions of the case, and is just as much in the air as his population theory. "Wages," he says, "cannot be diminished by the increase of labourers, but on the contrary, as the efficiency of labour manifestly increases with the number of labourers, the more labourers, other things being equal, the higher wages should be" (p. 62). Just as he has already argued that food can never run short before an advancing population, because the new hands can produce much more than the new mouths can consume, as if

the hands span it out of their own finger nails; so he now argues that wages can never decline for want of capital to employ labourers, because the capital that employs them is made by the labourers themselves. They are paid, he declares, not out of the capital of their employers, but out of the product of their own labour. Mr. F. A. Walker, the eminent American economist, had already taught a similar doctrine, but with the reservation that while wages were really paid out of the produce of the labour they remunerated, they were usually advanced out of the employer's capital. But Mr. George throws aside this reservation, and declares boldly that wages are neither paid nor advanced out of capital, and that if any advance is made in the transaction at all, it is the labourer who makes it to the employer, not the employer to the labourer. "In performing his labour, he (the labourer) is advancing in exchange; when he gets his wages, the exchange is completed. During the time he is earning the wages, he is advancing capital to his employer; but at no time, unless wages are paid before work is done, is the employer advancing capital to him" (p. 49).

In this contention Mr. George relies much on the analogy of the "self-employing" labour of primitive society. When men live by gathering eggs, he tells us, the eggs they gather are their wages. No doubt; but in our complicated civilization we don't live by gathering eggs from day to day, but by sowing the seed in spring which is to yield us food only in harvest—by preparing work for the market which may take weeks, months, even years before it is marketable. The energetic Sir John Sinclair is said to have once danced at a ball in the evening dressed in a suit the wool of which was still growing on the sheep's back in the morning; but rapidity like that is naturally foreign to ordinary commerce. The successive operations of clipping, fulling, teasing, spinning, dying, weaving, cutting, sewing, occupy considerable time. So with other things. Houses, ships, railways, are not built in a day, or by a single workman. The product of a single workman's work for a day at any of these things has no value apart from the product of the other workmen's work, nor has the work of them all any value unless the work is, or is to

be, completed. The wages paid during the period of construction, therefore, cannot possibly have come out of the work for which they were paid, but must have been advanced otherwise. Who advances them? Clearly not the labourer himself, for he receives them. And yet that is what Mr. George unhesitatingly asserts, and his argument is as courageous as it is ingenious. He does not shrink from applying it to the extremest case you like to suggest—the Great Eastern, the Gothard Tunnel, the Suez Canal; even in these cases the labourers, who spent months and years in doing the work, were paid out of the work itself, out of the Great Eastern, out of the Gothard Tunnel, out of the Suez Canal. "For," says Mr. George, "a work that is incomplete is not valueless, it is not unexchangeable; money may be raised on it by mortgage or otherwise, and as this money is raised on the product of the labourer's work, the wages it is employed to pay are really paid out of that product." But this only shifts the question a little: it does not answer it. Where does this lent money come from? Certainly not from the work it is lent on. Perhaps not, Mr. George will rejoin, again shifting his ground, but it comes from the product of the contemporaneous work of other labourers. "It is not necessary to the production of things that cannot be used as subsistence or cannot be immediately utilized that there should have been a previous production of the wealth required for the maintenance of the labourers while the production is going on. It is only necessary that there should be, somewhere within the circle of exchange, a contemporaneous production of subsistence for the labourers, and a willingness to exchange this subsistence for the thing on which the labour is being bestowed" (p. 51). But this is only passing round the dilemma. For this contemporaneous production has itself the same difficulty to face; it has to sustain its labourers during the time taken to complete their work; and it can only do so, according to Mr. George's explanation, by raising the means through a mortgage on the unfinished work. It borrows to pay its own wages, but is apparently able to lend to pay other people's. Mr. George has a happy method of carrying on the affairs of society by mutual accommodation. Peter is a shoemaker who

wants money to buy leather to make shoes and food to maintain him till the shoes are made. Paul is a carpenter who is in a like case, and wants money to buy food and timber. Peter borrows the money he needs from Paul on mortgage, and then Paul in turn borrows what he needs from Peter, on the same terms. Utopia is a pleasanter world than ours, and an IOU probably goes a long way in it; but here on this hard earth Peter would certainly make no shoes nor Paul any chairs, unless he had either himself saved enough to purchase the materials, or found a neighbour who had done so and was ready to make him an advance. Except for this neighbour he could not work at all, and could not therefore "create any wages," and the amount of work he got and wages he earned would manifestly depend greatly on the amount of capital this stranger possessed and was disposed to invest in such an enterprise.

It is true that the wages of labour will be guided in amount by the quantity of the product, but they are not on that account actually paid out of the product. And it is true that the labourer gives value for his wages—certainly he would not otherwise be employed—but that value is not usually marketable until some time, in many cases years, after the wages have been enjoyed, and therefore cannot have been the source whence these wages came. The wages were paid out of the saved results of previous labour—that is, out of capital—and Mr. George has absolutely no conception of the amount of capital that is necessary to carry on the work of industry. He says we live from hand to mouth, and so in a sense we do. Our capital is being constantly consumed and constantly reproduced again, and economists are fond of showing, from the speedy recovery of a civilized state after a devastating war, how short a time it would really take to replace it entirely. But until it is replaced every inhabitant undergoes considerable privations, which simply means that the rate of wages has fallen for want of it. There are some trades, like the baker's, where the product is actually sold before the wages are paid; and there are many, like the whaler's mentioned by Mr. George, where the labourers can afford to wait long terms for part at least of their remuneration (no great sign, by the way,

of the minimum of a bare living); but even in these much capital must be set aside before a single hand is engaged. The whalers, for example, must be furnished with a ship to start with, and be provisioned for the voyage; and if these requisites are not forthcoming, they must go without work and wages altogether, or take work at inferior terms in a market glutted by their own arrival in it. Mr. George speaks lightly of the labourers who excavated the Suez Canal advancing value to the company who employed them, and yet before a single pick or spade was stuck into the sand of the Isthmus the company had laid out, in preliminary expenses and machinery, as much as six millions sterling—more than a third of the whole cost of the Canal. They had then to pay other five or six millions in wages before the work fetched a single fee; and yet Mr. George will have us believe that those five or six millions actually came out of the profits, merely because the projectors hoped and believed they might eventually come out of them. Labourers give an equivalent to the capitalists for their wages, but their wages are really paid out of the capital which their employers have saved for the purpose of purchasing that equivalent. I may have bought a cow in the hope of recouping myself by selling her milk, but I did not therefore pay her price out of the milk money—for nobody would have sold her to me if he had to wait for that; I bought her out of money I had previously saved, and from the same source exactly, and no other, do capitalists buy labour.

But, objects Mr. George, that cannot be; wages cannot be paid out of capital, because they are often lowest when, as shown by the low rate of interest, capital is most abundant. But Mr. George here confounds existent capital with employed capital. It is only the capital actually employed that tells on wages; the low rate of interest merely shows that there has been an increase in unemployed capital, and since that is generally a correlative of a diminution of employed capital, it is but natural that low interest should be attended by low wages. Low wages are a consequence of unemployed labour, unemployed labour a consequence of unemployed capital, and unemployed capital a consequence of unfavourable industrial

conditions which labour, either with capital or without it, cannot evade or reverse.

So far then of Mr. George's views on population and the wages fund, for which much value, as well as originality, has been claimed. The chapters in which he states them are certainly among the most impressive and characteristic in his book. Nowhere else does he display more strikingly his remarkable acuteness, fertility, and literary power, and nowhere else are these high qualities employed more fruitlessly from sheer want of grasp of the elements of the problems he discusses. These chapters are after all, however, something of a digression from the main business of the book, and they have perhaps detained us too long from Mr. George's own explanation of the supposed growth of poverty.

His explanation is this: "The reason why, in spite of the increase of productive power, wages constantly tend to a minimum which will give but a bare living is that with increase in productive power, rent tends to even greater increase" (p. 199). "Rent swallows up the whole gain, and pauperism accompanies progress" (p. 158). "The magic of property," it seems, has an unsuspected malignancy; but, in the present case, its spell is really exercised only over Mr. George's own vision. For who, with his eyes open, would believe for a moment what Mr. George so gravely asserts, that of the whole gain won by our multiplied productive power, none whatever has gone to the great bankers, and brewers, and cotton spinners, and ironmasters, and corn factors, and shipbuilders, and stockbrokers, and railway contractors; that our Rothschilds, and Brasseys, and Barings, and Bairds, the great plutocrats of the time, the possessors of the largest fortunes in the country, the very men and classes who have been most conspicuously enriched through the material progress of the nation, have all the while been conducting a hard struggle against a fatal tendency in their incomes to sink to a bare living, and had to feed, exactly like the manual labourers, from the crumbs that fall from the landowners' table. The assertion is too violent and preposterous to merit serious refutation. Everybody knows that the greatest part of the wealth of modern society is not concentrated in the

hands of the landlords at all, that it has not accrued from rent, and that it would not be a farthing the less though private property in land were abolished to-morrow.

But violent and preposterous as Mr. George's conclusion is, it has not been arrived at without the exercise of much perverse ingenuity. Having been brought by his examination of the wages fund and population theories to the conviction that the key to his riddle was not to be discovered in the conditions that regulated production, he concludes that it must, therefore, be sought in the conditions that regulate distribution. His problem is thus one in the distribution of wealth, and it must be explained, if it is to be explained at all, by the laws of distribution. To investigate these laws, therefore, becomes now his object, and the first step he takes is a truly amazing one. At the very outset he throws the most important class of participators in the distribution--the class that appropriates the largest share—out of court altogether, and he proceeds to settle the whole question as if they never got a penny, and as if the entire spoil were divided among their neighbours. People who live on profits, it seems, have no *locus standi* in a question of distribution, and the case must be considered as if the parties exclusively concerned were the people who live on wages, the people who live on interest, and the people who live on rent. "With profits," he says, "this inquiry has manifestly nothing to do. We want to find what it is that determines the division of their joint produce between land, labour, and capital, and profits is not a term that refers exclusively to any one of these three divisions. Of the three parts into which profits are divided by political economists, namely compensation for risk, wages of superintendence, and returns for the use of capital, the latter falls under the term interest, which includes all the returns for the use of capital and excludes everything else; wages of superintendence falls under the term wages, which includes all returns for human exertions and excludes everything else; and compensation for risk has no place whatever, as risk is eliminated when all the transactions of a community are taken together" (pp. 113–4).

Now we have to do here with no mere difference of terminology. Profits may be employers' wages, if you like to call

them so; but it is a fatal confusion to suppose that, because you have called them employers' wages, you are therefore entitled to treat them as if they were governed by the same laws and conditions as labourers' wages. The truth is that they are governed by opposite conditions, and that the pith of the labour question is just the conflict between these two kinds of wages for the better share in the distribution. The battle of labour is not against the employer receiving fair interest on his capital in proportion to its quantity, but against the amount of additional profit which the employer claims as wages of superintendence, and which he also rates in proportion to capital invested instead of rating it in proportion to his own trouble or efficiency. One of the chief hopes of the workman resides in the possibility of breaking down this erroneous criterion of fair remuneration for superintendence, and so getting the employers to content themselves with smaller profits than they have been in the habit of considering indispensable. Profits and wages have thus opposite and conflicting interests in the distribution, but Mr. George, having once disguised the one in the garb of the other, is imposed on by the disguise himself, and treats them in his subsequent speculations as if they were the same thing, or at any rate—what in the present connection is equally pernicious in its effects—as if their respective shares in the distribution were determined by precisely the same conditions. The result is, as might be expected, a series of singular *contretemps* springing from mistaken identity, like those we are familiar with on the comic stage. The manufacturing millionaire appears before us as the victim of the same harsh destiny as the penniless crossing-sweeper, and the banker of Lombard Street is overshadowed by the same blighting poverty as the lumper of Wapping. Proudhon, in a powerful passage, describes pauperism as invading modern society at both extremes; it invaded the poor in the positive form of natural hunger; it invaded the rich in the unnatural but more devouring form of insatiable voracity. The burden of Mr. George's prophetic vision contains no such refinements. He sees a huge wedge driven through the middle of society; and on the underside of that enchanted wedge he sees the merchant princes of the world eating the bread of poverty with their lowest depend-

ents. Mr. George's classification of profits under wages therefore involves much more than a mere change of nomenclature, for it has led him to pass off this absurd vision as a literal description of things as they are. By that classification he has really put out of his own sight the most important factor in the settlement of the question he is discussing, and so he begins playing Hamlet by leaving the part of Hamlet out.

Having simplified matters by throwing profits out of the cast, Mr. George's next step is to assign the leading *rôle* to rent. In the whole drama of the modern distribution of wealth, no part is more striking or more often misunderstood than the part played by rent. Wages never cease to cost much and to be worth little, but rent seems to have the property of going on growing while the landlords themselves sleep or play. This fact has impressed Mr. George so profoundly that, losing sight of things in their true connection and proportions, he declares that the growth of rent is the key to the whole situation, and that neither wages nor any other kind of income, not derived from land, can ever draw any advantage from the increase of prosperity, because rent always steps in before them and runs off with the spoil. He professes to found this conclusion on Ricardo's theory of rent, which he accepts, not only as being absolutely true, but as being too self-evident to need discussion. Indeed, he seems disposed, like some others, to have his fling at Mill for calling it the *pons asinorum* of political economy; but we shall presently discover various grounds for suspecting that he has not crossed the bridge successfully himself, and that here, as elsewhere, he has been led seriously astray by looking at things through the mist of doctrines he has only imperfectly mastered. Anyhow, he offers his theory as a deduction from Ricardo's law of rent, and this deduction claims particular attention because it is the corner-stone of his speculations, and constitutes what he would consider his most original and important contribution to economic science. He says that the law of rent itself "has ever since the time of Ricardo . . . been clearly apprehended and fully recognised. But not so its corollaries. Plain as they are, the accepted doctrine of wages . . . has hitherto prevented their recognition. Yet, is it not as plain as the simplest geometrical demonstration that the corollary of

the law of rent is the law of wages, when the division of the produce is simply between rent and wages; or the law of wages and interest together, when the division is into rent, wages, and interest" (p. 120). It is really plainer. It is a mere truism. In any simple division, if you know how much one of the factors gets, you know how much is left for the others, and if you like to dignify your conclusion by the name of corollary, you are free to do so. But the real point is this, whether the share obtained by rent is fixed irrespectively of the share obtained by wages and interest, or whether, on the contrary, it does not presuppose the previous determination of the latter. There is no doubt, at any rate, as to how Ricardo —Mr. George's own authority—regarded the matter. According to his celebrated theory, wages and interest are satisfied first, and then rent is just what is over. Rent is simply surplus profit. In hiring land, the farmer hires a productive machine, and under the influence of competition gives, for the use of that productive machine for a year, the whole amount of its annual produce which remains as a surplus after paying the wages of his labourers, and allowing interest on his capital, and what he considers a fair profit for his own work of superintendence. A certain current rate of wages and a certain current rate of profit are presupposed, and after these demands are met, then if the land has yielded anything more, that surplus is what is paid as rent. Ricardo always presumes that land that cannot produce enough to meet these demands will not be cultivated at all, and that the poorest land actually under cultivation is land that meets them and does no more; in other words, that leaves nothing over for rent. Let us take Ricardo's law as it is stated by Mr. George himself (p. 118): "The rent of land is determined by the excess of its produce over that which the same application can secure from the least productive land in use." The standard by which, according to this law, the amount of rent is supposed to be determined, is the produce of the least productive land in use. Now, what is the least productive land in use? It is land that produces just enough to pay the wages the labourers upon it are content to work for, and the profits the farmer of it is content to farm for. How that rate of wages and that rate of profits are fixed

is no matter here; but one thing is clear—and it is enough for our present purpose—that they cannot be determined, as Mr. George represents them as being, by a law of rent which presumes and is conditioned by their operation. Ricardo's law virtually explains rent in terms of wages and profits, and it would therefore be the height of absurdity to re-explain wages and profits in terms of rent. And if that is so, the circumstance which excites Mr. George's surprise, that economists have always so clearly apprehended the law of rent itself, and yet failed so completely to recognise the corollaries which he plumes himself on being the first to deduce from it, admits of a very simple explanation: the economists understood the law they expounded, and were better reasoners than to employ it as a demonstration of its own postulates.

This will become still plainer, if we look more closely at the fact which has struck Mr. George so much—the constant rise of rent in modern society. He attributes that rise to many causes; in fact, there are few things that will not, in his opinion, raise rent. Progress of population will do so; but if population is stationary, it will be done all the same by progress in the arts; the spread of education will do it; retrenchment of public expenditure will do it; extending the margin of cultivation will do it; and so will artificial contraction of that margin by speculation. In short, he is so haunted by the idea, that he seems to believe that so long as rent is suffered to survive at all, whatever we do will only conduce to its increase. Every step of progress we take extends its evil reign, and if progress were to reach perfection, rent would drive wages and interest completely off the field and appropriate "the whole produce" (p. 179). These fears are not sober, but they could never have risen had Mr. George first mastered the theory of rent he founds them on. For rent, being the price paid by producers for the use of a productive machine, cannot rise unless the price of the product rises first (or its quantity, if so be that it does not increase so much as to reduce its price), for unless the price of agricultural produce rises, the farmer cannot afford to pay a higher rent for the land than he paid before. No part of Ricardo's theory is more elementary or more unchallenged than this, that the rent of land constitutes no part of the price of

bread, and that high rent is not the cause of dear bread, but dear bread the cause of high rent. Rent cannot rise further or faster than the price of bread (or meat, of course) will allow it, and the price of bread is beyond the landowner's control. He cannot raise it, but once it rises, he can easily raise rent in a corresponding degree. If a rise of rent depends on a rise in the price of bread, what does a rise in the price of bread depend on? On two things which Mr. George ignores or misunderstands—the progress of population and the diminishing return in agricultural production. The growth of population increases the demand for food so much as to raise its price, and renders it profitable to resort to more difficult soils or more expensive methods for additional supplies. The price will then remain at the figure fixed by the cost of the costliest portion that is brought to market.

Now Mr. George laughs at the idea of increase of population causing any difficulty about the supply of food—population, which he is never tired of telling us, is the very thing most wanted to multiply that supply, and possesses a power of multiplying it in even a progressive ratio to its numbers. "The labour of 100 men," he says, "other things being equal, will produce much more than one hundred times as much as the labour of one man" (p. 163). And he laughs in the same way at the idea of a diminishing return in agriculture, as if, says he, matter were not eternal, and as if an increasing population did not of itself increase the productive capacity of the land through increasing the productive capacity of the labour upon it. These two misunderstandings lie at the bottom of all Mr. George's vagaries about rent, and they are perhaps natural to a speculator, resident in a rich new colony, which, as he describes it himself, "with greater natural resources than France, has not yet a million people." No doubt in a country at that particular stage of its historical development, increase of population may involve an increase, and even a more than proportional increase, of food as well as of other commodities; but that particular stage is a temporary and fleeting one, and the world in general is very differently situated from the State of California thirty years ago. Where there is plenty of good land, the increase of population occasions no increase in

the cost of producing food, because there is no need to resort to poorer land for the purpose; and while food is got as cheaply as before, other things are got much more easily and abundantly in consequence of the economies of labour and the many mutual services which result from the increased numbers of the community. But that state of matters only continues so long as there remains no occasion to resort to poorer soils for the production of food, and that time is long past in most countries of the world. Mr. George no doubt contends that in all countries it is just the same as in California, because even though it may have become more difficult in some places to produce food, it has become everywhere much easier to produce other commodities, and (so he argues) the production of any kind of commodity is practically equivalent to the production of food, for it can always be exchanged for food. So it can, if food is there to exchange for it; but the very question is whether food is there, or is there in the same relative quantity. If I say it is more difficult to get food, it is no answer to tell me that is is much easier to get other things. And because other things may be multiplied indefinitely at the same cost, that is no reason for denying that food can only be multiplied indefinitely at increasing cost. Yet Mr. George reasons as if it were. This confusion is repeated again and again in the course of his book, and has evidently had much influence on his whole speculations. He describes the advantages which the colonist derives from the arrival of other settlers. "His land yields no more wheat or potatoes than before, but it does yield far more of all the necessaries and comforts of life. His labour upon it will bring no heavier crops, and we will suppose no more valuable crops, but it will bring far more of all the other things for which men work" (p. 168). That is true, but it is not to the purpose. The new settler required a market, and population brought it; but although population up to a certain point is beneficial, you cannot for that reason declare that beyond that point it cannot possibly become embarrassing; for on Mr. George's own hypothesis the ground yields no more wheat and potatoes than before, and the limit to convenient population is prescribed by the amount of food the ground yields, and not by the quantity of other commodities which

skilled labour can produce. If population were to exceed what that stock of food would adequately serve, then new-comers would find little comfort in Mr. George's rhetorical commonplace that they had two hands and only one mouth. His simple confidence, that they never can be at a loss, because they can get food by exchange as well as by direct production, is a mere dream, because he forgets that the people they are to exchange with are in the same case as themselves. They can only give food in exchange for other things so long as they raise more food than serves their own numbers, and when their numbers increase beyond that point, they will have no food to sell. The limit to subsistence is not the productive capacity of labour, but the productive capacity of land.

Mr. George's argument rests on another very curious fallacy. He builds his whole theory of distribution on the fact of the extension of the margin of cultivation from better to worse soils, but in the same breath he denies the existence of the very conditions that alone make that fact possible. Nobody would resort to worse land unless the better were unable to furnish indefinite supplies at the old cost, *i.e.*, unless the principle of diminishing return prevailed in agriculture. Nor would any one resort to worse land until it paid him to do so, *i.e.*, until the produce of this worse land became, through a rise in its price or through improvements in the art of agriculture, equal in net value to the produce previously yielded by the worst land then in cultivation. Mr. George denies the principle of diminishing return. He denies "that the recourse to lower points of production involves a smaller aggregate of produce in proportion to the labour expended." He denies this, "even where there is no advance in the arts and the recourse to lower points of production is clearly the result of the increased demand of an increased population. For," says he, "increased population of itself, and without any advance of the arts, implies an increase in the productive power of labour" (p. 163). But the question is, does it imply any increase in the productive power of the soil? Mr. George contends that it does, but only on the superior soils, not on the inferior. Increasing population, in his opinion, renders all labour so much more effective that "the gain in the superior qualities of land will

more than compensate for the diminished production on the land last brought in" (p. 165). Now to all this there is one simple answer: why then resort to inferior soils at all? If crowding on the superior soils can make those soils indefinitely productive, why go farther and fare worse? There can be no reason for having recourse to worse land, but that the better has ceased to yield enough at the old cost. Organization and economy of labour are excellent things, but they cannot press from the udder more milk than it contains, or rear on the meadow more sheep than it will carry, or grow on a limited area available for cultivation more than a definite store of food.

But while Mr. George denies that there is anything to force people to poorer soils, he supposes at the same time that they go freely in order to get a less profit. He holds the amount of return obtained from cultivating the least productive land in use to be the lowest rate of return for which anybody will invest his capital, and therefore to serve in some sense as a standard rate of remuneration for all applications of capital and labour. Nobody, he declares, will work for less than he can make on land that pays no rent. But will any one work such land for less than he can make in other industries? That is what Mr. George supposes to be done every day, although he laughs at the idea of there being any necessity for doing it. It need not be said that men are not such lunatics. They are really forced to go to worse soils because the better cannot increase their yield indefinitely at the same cost, and they never go till they possess a reasonable expectation of making as much out of the worse land as they did before out of the better.

From all these remarkable misconceptions of the working of rent, and of the theory of Ricardo on the subject, which he professes to follow, he draws his first law of distribution, which is nevertheless, so far as it goes, undoubtedly correct: "Rent depends on the margin of cultivation, rising as it falls and falling as it rises" (p. 155).

To find the law of rent, he has told us, is to find at the same time its correlatives, the laws of wages and interest, and these laws accordingly he states thus: "Wages depend on the margin of cultivation, falling as it falls and rising as it rises.

Interest (its ratio with wages being fixed by the net power of increase which attaches to capital) depends on the margin of cultivation, falling as it falls and rising as it rises" (p. 156). He is not content, however, with merely inferring these two laws as corollaries from the law of rent, but thinks it necessary to construct for wages and interest a certain independent connection with the movement of the margin of cultivation. To do so, he first reduces interest, as he had already reduced profits, to a form of wages; he then erects all the different forms of wages (*i.e.*, every form of income except rent) into a single hierarchical system, in which there are many different rates of remuneration, occasioned by the necessity of compensating different risks and exertions, but all moving up and down concurrently with a certain general rate of wages at the bottom of the scale; and he finally connects this general or standard rate of wages with the margin of cultivation, by saying that no one would work at anything else for less than he can make on land open to him free of rent, and that therefore the income made by cultivating such land must be the lowest going.

Mr. George's view of the nature of interest is peculiar. He considers it to be the natural increase of capital, the fruit of inherent reproductive powers, like the increase of a calf into a cow, or of a hen into a hen and chickens; and because interest comes in this way freely from nature, he believes the private appropriation of it to be thoroughly just, although he presently gives precisely the same reason for declaring rent to be theft. It is unnecessary to discuss either the truth or the consistency of this doctrine here, and I refer to it now merely to explain that although Mr. George thus justifies interest as being the price of a natural force, he introduces it into his theory of the origin of poverty, as the price of human labour. "The primary division of wealth," he says, "is dual, not tripartite. Capital is but a form of labour, and its distinction from labour is in reality but a subdivision, just as the division of labour into skilled and unskilled would be. In our examination we have reached the same point as would have been attained had we simply treated capital as a form of labour, and sought the law which divides the produce

between rent and wages; that is to say between the possessors of the two factors, natural substance and powers and human exertion—which two factors, by their union, produce all wealth" (p. 144). The difference between interest and wages is but as the difference between the wages of skilled labour and the wages of unskilled; the wages of skilled labour is only the wages of unskilled, *plus* some consideration for the skill, or for the time spent in training, or for drawbacks of various kinds; and the wages of unskilled labour is fixed by the amount that can be made on land that pays no rent. Profits, salaries, stipends, fees, are, in the same way as interest, declared to be modes of wages. The £50,000 a year of the merchant prince, it seems, is just the £50 of the day-labourer, with £49,950 added to compensate him for the additional perils or drawbacks or discomforts of his life. All incomes, except the landowner's, row in the same boat, and the day-labourer's sets the stroke. When the margin of cultivation descends, he is the first to suffer, and then all the rest suffer with him. If he loses £10 a year, they successively lose £10 too: the doctor or bank-agent will have £490, instead of £500: the railway chairman, £4,990, instead of £5,000; the merchant prince, £49,990, instead of £50,000; and their loss is the landlord's gain. Here then we see the whole mystery of iniquity as Mr. George professes to unravel it. "The wealth produced in every community is divided into two parts by what may be termed the rent line, which is fixed by the margin of cultivation, or the return which labour and capital could obtain from such natural opportunities as are free to them without payment of rent. From the part of produce below this line, wages and interest must be paid. All that is above goes to the owners of land" (p. 121).

Mr. George here confounds the margin of cultivation with the margin of appropriation. When economists speak of an extension of the margin of cultivation, they mean a resort to less productive land, and that is always accompanied by a rise of rent; but an extension of the margin of appropriation may be a resort to more productive land, and may occasion a fall of rent, as has been done in Europe to-day through appropriation in America. But what in reality he builds his argu-

ment on is neither the movement of the margin of cultivation, nor the movement of the margin of appropriation, but simply the existence of abundance of unappropriated land. Where that exists, rent will, of course, be low, and wages will be high, for nobody will give much for land when he can get plenty for nothing at a little distance off, and nobody will work at anything else for less than he can make on land that he may have for nothing. For such land supplies labourers with an alternative. It is not the best of alternatives, for it needs capital before one can make use of it, and it takes time before any return is made from it. A diversity of national industries, for example, is better, and raises wages more effectively. Agricultural wages are higher in the manufacturing counties of England than in the purely agricultural; and they are higher in the manufacturing Eastern States of Mr. George's own country than in the purely agricultural States of the West, which possess the largest amount of unappropriated land. The reason of this is twofold: other industries increase the competition for labour generally, and create, at the same time, a better market for farm produce. Unoccupied land would act—though less effectually—in the same way as an alternative; but few countries are fortunate enough to possess much of it, and as Mr. George does not propose to interfere with the occupation of land, but only to tax the occupiers, he has no scheme for showing how countries that have it not are to get it. It is easy, of course, to call it from the vasty deep. "Put to any one capable of thought," says Mr. George, "this question: 'Suppose there should arise from the English Channel or the German Ocean a Noman's land on which common labour to an unlimited amount should be able to make ten shillings a day, and which would remain unappropriated and of free access like the commons which once comprised so large a part of English soil. What would be the effect upon wages in England?' He would at once tell you that common wages throughout England must soon increase to ten shillings a day" (p. 207). Perhaps so; but a little more thought would teach him that "a Noman's land on which common labour to an *unlimited* amount should be able to make ten shillings a day" must be itself unlimited in extent, and could not be

accommodated in the English Channel. Apart from preternatural conditions, it could not afford remunerative employment to more than a definite number of occupants and cultivators, and when it came to be entirely occupied, England would stand exactly as it does at present. If the millennium of the working class is to depend on the discovery of a Noman's land of infinite expansibility, it must be indefinitely postponed.

But supposing such an alternative existed and did influence the amount employers pay their workmen, how is it to influence in the same direction the amount they reserve to themselves? It is true, as a matter of fact, that wages and interest generally rise and fall together, for the simple reason that they are generally subject to the same influences. When capital is busily employed, so is necessarily labour, and then both wages and interest are high; when capital is largely unemployed, so is naturally labour also, and then both wages and interest are low. But an influence like that which is now adduced by Mr. George does not act on labourer and employer alike. It supplies the labourer with an alternative which strengthens his hands in his battle for wages with employers. Does it then at the same time strengthen the employer in his battle with the labourer? Does it first raise wages at the expense of profits, and then raise profits at the expense of wages? It clearly cannot. To argue as if the existence of alternative work which benefits the labourer, must benefit the employer in the same degree, and as if the want of it must injure the employer because it injures the labourer, is simply to misunderstand the very elements of the case. One might as well argue that because the heights of Alma were a decided strategical advantage to the Russians, who were posted on them, they were therefore an equal advantage to the Allies, who had to scale them.

Laws of distribution, which are founded on a series of such arbitrary absurdities as those which I have successively exposed, are manifestly incapable of throwing any rational light on the causes of poverty, or giving any practical guidance to its amelioration. But, absurd as they may be, they are at least propounded with considerable parade, and we are therefore quite unprepared for the strange turn Mr. George next

chooses to take. It will be remembered that the only reason why he undertook to search for these laws at all was, that by means of them he might explain why wages tended to sink to a minimum that would give but a bare living; but now that he has discovered those laws, he declines to apply them to the solution of this problem. He will not draw the very conclusion he has laid down all his apparatus to establish. He will not solve the problem he has promised us to solve; in fact, he tells us he never meant to solve it; he never thought or said wages tended to sink to a minimum that would give a bare living; he never said they tended to sink at all; all he meant to assert was that if they increased, they did not increase so fast as the national wealth generally. He used "the word wages not in the sense of a quantity, but in the sense of a proportion" (p. 154). He will not therefore, after all, show us why the poor are getting poorer; but he will read for us, if we like, another riddle, why they are not growing rich so fast as some of their neighbours. In the name of the patient reader, I may be permitted to lodge a humble but firm protest against this eccentric and sudden change of front. Mr. George ought really to have decided what problem he was to write about before he began to write at all, and we may therefore for the present dismiss both his problem and his explanation till he makes up his mind.

III. *Mr. George's Remedy.*

After our experience of his problem and his explanation, we cannot indulge expectations of finding any serious or genuine worth in the practical remedy Mr. George has to prescribe; and we hear, without a thought of incongruity, the lofty terms in which, like other medicines we know of, it is advertised to the world by its inventor as a panacea for every disease society is heir to. "What I propose," he says, "as the simple yet sovereign remedy which will raise wages, increase the earnings of capital, extirpate pauperism, abolish poverty, give remunerative employment to whoever wishes it, afford free scope to human powers, lessen crimes, elevate morals and taste and intelligence, purify government, and carry civilization to yet nobler heights, is—to appropriate rent by taxation"

(p. 288). And the direction for applying the remedy is equally simple: it is to "abolish all taxation save that upon land values" (*ibid.*). This remedy is currently described as the nationalization of land; but nationalization of land is a phrase which stands for several very different and even conflicting ideas. With the usual fatality of revolutionary parties, the English land nationalizers are already broken into three separate organizations, and represent at least three mutually incompatible schemes of opinion. There is first the socialist idea of abolishing both individual ownership and individual occupation of land, and cultivating the soil of the country by means of productive associations or rural communes. Then there is the exactly opposite principle of Mr. A. R. Wallace and his friends, who are so much in love with both individual ownership and individual occupation that their whole aim is to compel us all by law to become occupying owners of land, whether we have any mind to be so or no. And, finally, we have the scheme of Mr. George, which must be carefully distinguished from the others, because he would destroy individual ownership but leave individual occupation perfectly intact. His non-interference with individual occupation is remarkable, because, as we have seen, he declares the cause of poverty to be the exclusion of unemployed labour from the opportunity of cultivating land, and because that exclusion is chiefly due to the prior occupation of the land by earlier settlers. Mr. George, however, thinks he can provide a plentiful supply of unoccupied land, at a nominal price, for an indefinite number of new-comers without disturbing any prior occupant. He would do it by merely abolishing the private owner and asking the occupant to pay his rent to the State instead of to a landlord, and he explains to us how it is that this simple expedient is to effect the purpose he desires. "The selling price of land would fall; land speculation would receive its death-blow; land monopolization would no longer pay. Millions and millions of acres, from which settlers are now shut out by high prices, would be abandoned by their present owners, or sold to settlers upon nominal terms. And this not merely on the frontiers, but within what are now considered profitable districts. . . . And even in densely populated

England would such a policy throw open to cultivation many hundreds of thousands of acres now held as private parks, deer preserves, and shooting grounds. For this simple device of placing all taxes on the value of land would be in effect putting up the land at auction to whoever would pay the highest rent to the State. The demand for land fixes its value, and hence if taxes were placed so as to very nearly consume that value, the man who wished to hold land without using it would have to pay very nearly what it would be worth to any one who wanted to use it" (p. 309).

Putting up land to auction will not secure cheap or nominally rented farms to an indefinite number of new-comers, unless there is an indefinite supply of land to divide into farms, but in the present world that is not so; and when the existing stock of agricultural land is exhausted, and every man has his farm, but there is no more for any new-comer, what is Mr. George's remedy then? Abolition of property in land will of course abolish all trading in such property; but trading in landed property does not restrict its occupation. The land speculator, while he holds the land, of course keeps out another competitor from the ownership, but he keeps nobody from its occupation and cultivation. He is surely as ready as anybody else to make money, if money is to be made, by letting it, even by putting it up to auction, if Mr. George prefers that mode of letting. The transfer of the power of letting to the State will not secure a tenant any faster. And as to the private parks, deer forests and shootings of England, Mr. George forgets that they are, most of them, at present rented, and not, as he seems to fancy, owned by their occupants, and that it would not make a straw of difference to them whether they paid their rents to the Crown factor or to the landlord's agent. Since Mr. George does not prohibit the making of fortunes, he cannot prevent commercial kings from America or great brewers from England hiring forests in the Scotch Highlands. And since, in spite of his celebrated declaration, that "to the landed estates of the Duke of Westminster the poorest child that is born in London to-day has as much right as has his eldest son," he would still leave the Duke a princely income from the rents of the buildings upon his estates, and would suffer him to enjoy

it without paying a single tax or rate on it all (p. 320), why should the Duke give up his forest in Assynt, merely because the Crown is to draw the rent instead of the Duke of Sutherland? Mr. George accordingly proposes a remedy that would remedy nothing, but leave things just as they are. Deer forests and the like may not be the best use of the land, but the particular change Mr. George suggests would not suppress them or even in the slightest degree check their spread, and would not throw the ground now occupied by them into the ordinary market for cultivation. And, besides, even if it did, the land so provided for new-comers would necessarily soon come to an end, and with it Mr. George's "simple and sovereign remedy," at least in its specific operation.

But it is noteworthy that in his lectures in this country in 1884, Mr. George made little account of the specific operation of his remedy as a means of furnishing unemployed labourers with a practicable alternative in agricultural production, to which they might continue indefinitely to resort, and that he preferred for the most part drawing his cure for poverty from the public revenue which the confiscation of rent would place at the disposal of the community. Now as to this aspect of his remedy, it is surely one of the oddest of his delusions to dream of curing pauperism by multiplying the recipients of poor relief, and taking away from it, as he claims credit for doing, through the countenance of numbers, that reproach which has hitherto been the strongest preventive against it. Besides, he and his friends greatly exaggerate the amount of the fund the country would derive from the rent of its ground. It would really fall far short of paying the whole of our present taxation, not to speak of leaving anything over for wild schemes of speculative beneficence. The rural rent of the country is only seventy millions, and that sum includes the rent of buildings, which Mr. George does not propose to touch, and which would probably in the aggregate balance the ground rent of towns, which he includes in his confiscation project. Now our local taxation alone comes very near that figure, and certainly the people generally can scarcely be expected to rise from a condition of alleged poverty to one of

substantial wealth, or even comfort, through merely having their local rates paid for them.

The result would therefore be poor, even if no compensation were to be made to the present receivers of the rent; but with the compensation price to pay, it would be really too ridiculously small to throw a whole nation into labour and disorder for. Much may be done—much must be done—to make the land of the country more available and more profitable for the wants of the body of the people, but not one jot of what is required would be done by mere nationalization of the ownership, or even done better on such a basis than on that which exists. The things that are requisite and necessary would remain still to be done, though land were nationalized to-morrow, and they can be equally well done without introducing that cumbrous innovation at all. With compensation the scheme is futile; without it, it is repugnant to a healthy moral sense. Mr. George indeed regards confiscation as an article of faith. It is of the essence of the message he keeps on preaching with so much conviction and courage and fervour. Private property in land, he tells us, is robbery, and rent is theft, and the reason he offers for these strong assertions is that nothing can rightly be private property which is not the fruit of human labour, and that land is not the fruit of human labour, but the gift of God. As the gift of God, it was, he believes, intended for all men alike, and therefore its private appropriation seems to him unjust. Under these circumstances he considers it as preposterous to compensate landowners for the loss of their land, as it would be to compensate thieves for the restitution of their spoil. To confiscate land is only to take one's own, Mr. George has no difficulty about the sound of the word, nor is he troubled by any subtleties as to the length it is proper to go in the work. Mr. Mill, whose writings probably put Mr. George first on this track, proposed to intercept for national purposes only the future unearned increase of the rent of land, only that portion of the future increase of rent which should not be due to the expenditure of labour and capital on the soil. Mr. George would appropriate the entire rent, the earned increase as well as the unearned, the past as well as the future; with this exception, that interest on such improvements as are

the fruit of human exertion, and are clearly distinguishable from the land itself, would be allowed for a moderate period. He says in one place, "But it will be said: These are improvements which in time become indistinguishable from the land itself! Very well; then the title to the improvements becomes blended with the title to the land; the individual right is lost in the common right. It is the greater that swallows up the less, not the less that swallows up the greater. Nature does not proceed from man, but man from nature, and it is into the bosom of nature that he and all his works must return again" (p. 242). And in another place, speaking of the separation of the value of the land from the value of the improvements, he says: "In the oldest country in the world no difficulty whatever can attend the separation, if all that be attempted is to separate the value of the clearly distinguishable improvements made within a moderate period, from the value of the land, should they be destroyed. This manifestly is all that justice or policy requires. Absolute accuracy is impossible in any system, and to attempt to separate all the human race has done from what nature originally provided would be as absurd as impracticable. A swamp drained, or a hill terraced by the Romans, constitutes now as much a part of the natural advantages of the British Isles as though the work had been done by earthquake or glacier. The fact that after a certain lapse of time the value of such permanent improvements would be considered as having lapsed into that of the land, and would be taxed accordingly, could have no deterrent effect on such improvements, for such works are frequently undertaken upon leases for years" (p. 302). The sum of this teaching seems to be that Mr. George would recognise no separate value in any improvements except buildings, and would be disposed to appropriate even them after such lapse of time as would make it not absolutely unprofitable to erect them.

What Mr. George fails to perceive is that agricultural land is in no sense more a gift of God, and in no sense less an artificial product of human labour, than other commodities—than gold, for example, or cattle, or furniture, in which he owns private property to be indisputably just. Some of the richest land in England lies in the fen country, and that land

is as much the product of engineering skill and prolonged labour as Portland Harbour or Menai Bridge. Before the days of Sir Cornelius Vermuyden it was part of the bottom of the sea, and its inhabitants, as they are described by Camden, trode about on stilts, and lived by snaring waterfowl. Some of the best land in Belgium was barren sand-heaps a hundred years ago, and has been made what it is only by the continuous and untiring labour of its small proprietors. "God made the sea, man made the dry land," is a proverb among the Dutch, who have certainly made their own country as much as Mr. George has made his book. In these cases the labour and the results of the labour are obvious, but no cultivated land exists anywhere that is not the product of much labour—certainly much more labour than Mr. George seems to have any idea of. In the evidence taken before the recent Crofters' Commission, Mr. Greig, who conducted the Duke of Sutherland's improvements in the Strath of Kildonan, stated that the cost of reclaiming 1,300 acres of land there, and furnishing them with the requisite buildings for nine variously sized farms, was £46,000. Apart from the buildings, the mere work of reclamation alone is generally estimated to have cost £20 an acre, and in another part of the same estates an equally extensive piece of reclamation is said to have cost £30 an acre. By means of this great expenditure of capital and labour, land that would hardly fetch a rent of a shilling an acre before was worth twenty or thirty shillings an acre after. Not the buildings only, but the land itself has been made what it is by labour. It has been adapted to a useful office by human skill as really as the clay is by the potter, or the timber by the wright. Deduct from the rent of these reclaimed acres the value contributed by human labour, and how much would remain to represent the gift of God? And would it be greater or less than would remain after a like process applied, say, to a sovereign or to a nugget of gold? Mr. George has no scruple about the justice of private property and inheritance in the nugget, and indeed in all kinds of movable wealth. "The pen with which I am writing," he says, for example, "is justly mine. No other human being can rightfully lay claim to it, for in me is the title of the original producers who made it"

(p. 236). The original producer of the nugget appropriated what was surely a gift of God as much as the clays or loams of husbandry; and if he, as Mr. George admits, has "a clear and indefeasible title to the exclusive possession and enjoyment" of his nugget, and may transmit that title by bequest or sale unimpaired for an unrestricted period of time, why is the original producer of agricultural land to be held up as more than half a thief, and the present possessor as one entirely? And if a proprietor has spent £20,000 in buildings, and £26,000 in reclamations, in order to convert the surface of the earth into useful arable soil, why is he to be allowed rent on the £20,000, and denied it on the £26,000?

So far as the distinction between gifts of nature and products of labour goes, movable wealth and immovable stand on precisely the same footing. Both are alike gifts of nature, and both are alike products of labour. In thinking otherwise Mr. George is certainly supported by the high authority of Mr. Mill, who has also failed to recognise how far arable land was really an artificial product. He says: "The land is not of man's creation, and for a person to appropriate to himself a mere gift of nature, not made to him in particular, but which belonged to all others until he took possession of it, is *primâ facie* an injustice to all the rest" (Dissert. iv., 289). But what is of man's creation? He finds his materials already created, and he merely appropriates them, and adapts them to his own uses by labour, exactly as he does with the soil that in his hands becomes fruitful fields. Land is as much a creation of man as anything else is, and everything is as much a gift of God as land. That distinction is therefore of no possible help to us. The true ground for observing a difference between the right of property in land and the right of property in other things must be sought for elsewhere. It is not because land is a gift of nature, while other things are products of labour, but because land is at once limited in quantity, and essential to the production of the general necessaries of life. These are the characteristics that make land a unique and exceptional commodity, and require the right of property in it to be subject to different conditions from the right of property in other products of labour. The justification of the restriction of that

right in the case of land accordingly rests neither on theological dogma nor on metaphysical distinction, but on a plain practical social necessity. Where land is still abundant, where population is yet scanty as compared with the land it occupies, there is no occasion for interference; the proprietor might enjoy as absolute a title as Mr. George claims over his pen, without any public inconvenience, but, on the contrary, with all the public benefit that belongs to absolute ownership in other things. But as soon as population has increased so much as to compel recourse to inferior soils for its subsistence, it becomes the duty of society to see that the most productive use possible is being made of its land, and to introduce such a mode of tenure as seems most likely effectually to secure that end. Under these circumstances private property in land requires an additional justification, besides that which is sufficient for other things; it must be conducive to the best use of the land. Society has become obliged to husband its resources; if it will do so most efficiently by means of private property, private property will stand; if not, then it must fall. Of course land is not the only kind of property that is subject to this social claim. All property is so held, but in the case of other things the claim seldom comes into open view, because it is only on exceptional occasions that it is necessary to call it into active operation. Provisions are among the things Mr. George considers not gifts of God but products of labour, but in a siege private property in provisions would absolutely cease, and the social right would be all in all. These products of labour would be nationalized at that time because in the circumstances the general interests of the community required them to be so, and the reason why they are not nationalized at other times is at bottom really this, that the general interest of the community is better served by leaving them as they are. In some parts of the world all products of labour actually are nationalized; in Samoa, for example, a man who wants anything has a latent but recognised claim to obtain it from any man who has it; but Dr. Turner explains that the result is most pernicious, because while it has extinguished absolute destitution, it has lowered the level of prosperity and prevented all progress, no man caring to labour when he cannot retain the fruits of his

labour. Civilized communities, however, have always perceived the immense public advantage of the institution of private property, and the right to such property, of whatever kind, really rests in the last analysis on a social justification, and is held subject to a social claim, if any reason occurred to exert it. In this respect there is nothing peculiar about land. The only peculiarity about land is that a necessity exists for the practical exercise of the claim, because landed property involves the control of the national food supply, and of other primary and essential needs of the community. The growth of population forces more and more imperatively upon us the necessity of making the most of our land, and consequently raises the question how far private property in such a subject is conducive to that end.

Now, in regard to capital invested in trade or manufactures, it has always been justly considered that the private interest of its possessor constitutes the best guarantee for its most productive use, because the trader or manufacturer is animated by the purely commercial motive of gaining the greatest possible increase out of the employment of his capital. But it must be admitted that the private interest of the landlord does not supply us with so sure a guarantee. He desires wealth no doubt as well as the trader, but he is not so purely influenced by that desire in his use of his property. He is apt to sacrifice the most productive use of land—or, in other words, his purely pecuniary interest—to considerations of ease or pleasure, or social importance, or political influence. He may consolidate farms, to the distress of the small tenants and the injury of the country generally, merely because there is less trouble in managing a few large farmers than a number of small; or he may refuse to give his tenants those conditions of tenure that are essential to efficient cultivation of the land, merely to keep them more dependent on himself in political conflicts. Mr. George, however, has a strong conviction that even the purely pecuniary interest of the private owner tends to keep land out of cultivation, but he builds his conclusion on the special experiences of land speculation rather than on the general facts of land-owning. Of course if there were no land-owning, there would be no land speculation; but to abolish land-owning merely to

cure the evils of land speculation is, if I may borrow an illustration of his own, tantamount to burning a house to roast a joint. Besides, all that is alleged is that speculation keeps a certain amount of land in America out of the market. In other countries it suffers from a contrary reproach. The evil of the *bandes noires* of France and the *Landmetzger* of Germany is their excessive activity in bringing land into the market, by which they have aggravated the pernicious subdivision of estates that exist. In America the effect of speculation may be different, but at any rate keeping land out of the market is one thing, keeping it out of cultivation is another; and it is hard to see how speculation should prevent the extension of cultivation, because cultivation may be as well undertaken by tenant as proprietor, and why should a speculator, who buys land to sell it in a few years at a high profit, object to taking an annual rent in the interval from any one who thought it would pay him to hire the land? It would not be fair to condemn the landlord for the sins of the land speculator, even if the latter were all that Mr. George's curious horror of him represents him to be, and if he exercised any of the irrationally extravagant effects which Mr. George ascribes to his influence over the economy of things; but as a matter of fact a sober judgment can discover no possible reason why the private interest of a land speculator as such should stand in the way of the cultivation of the soil he happens to hold. What concerns us here, however, is not the private interest of the speculator, but the private interest of the landlord, whether a speculative purchaser or not. Now, much land lies waste at present through the operation of the Game Laws, which establish an artificial protection of sport as an alternative industry against agriculture, but then the general institution of private property in land must not be credited with the specific effects of the Game Laws, and need not be suppressed in order to get rid of them. The abolition of these laws would place the culture of wild animals and the culture of domestic animals on more equal terms in the commercial competition, and would probably restore the balance of the landlord's pecuniary advantage in favour of the latter. Besides, it is not a question of ownership but of occupation of land that is really involved. If the land

were nationalized to-morrow, the State would have to decide whether it would let as much land as had hitherto been let to sporting tenants; and of course it can decide that, if it chooses, now.

So far as I am able to judge, there is only one respect in which the pecuniary interest of the landlord appears to be unfavourable to an extension of cultivation. There is probably a considerable quantity of land that might be cultivated with advantage to the community generally by labourers who expected nothing from it but the equivalent of ordinary wages, and which is at present suffered to lie waste, because its produce would be insufficient to yield anything more than wages, and would afford nothing to the capitalist farmer as profit or to the landlord as rent. How far this operates I have, of course, no means of knowing; but here again one may deal with waste ground if it were judged requisite to do so, without resorting to any revolutionary schemes of general land nationalization. Of course much land is kept in an inferior condition, or perhaps absolutely waste, through want of capital on the part of its owners, but the same result would happen under the nationalization plan, through want of capital on the part of the tenants. Mr. George does not propose to supply any of the necessary capital out of public funds, but trusts to the enterprise and ability of the tenants themselves to furnish it; so that the occupier would be no better situated under the State than he would be under an embarrassed landlord, if he enjoyed compensation for his improvements. In either case he would improve as far as his own means allowed, and he would improve no further. But if by nationalization of land we get rid of the embarrassed landlord, we lose at the same time the wealthy one, and the tenants of the latter would be decidedly worse off under the State, which only drew rents, but laid out no expenses. The community, too, and the general cultivation of the country would be greatly the losers. Mr. George has probably little conception of the amount of money an improving landlord thinks it necessary to invest in maintaining or increasing the productive capacity of his land. A convenient illustration of it is furnished by the evidence of Sir Arnold Kemball, commissioner of the Duke of Sutherland,

before the recent Crofters' Commission. Sir Arnold gave in an abstract of the revenue and expenditure on the Sutherland estates for the thirty years 1853–1882, and it appears that the total revenue for that period was £1,039,748, and the total expenditure (exclusive of the expenses of the ducal establishment in Sutherland) was £1,285,122, or a quarter of a million more than the entire rental. Here, then, is a dilemma for Mr. George: With equally liberal management of the land on the part of the State, how is he to endow widows and pay the taxes of the *bourgeoisie* out of the rents? And without such liberal management how is he to promote the spread of cultivation better than the present owners?

The production of food, however, is only one of those uses of the land in which the public have a necessary and growing interest. They require sites for houses, for churches, for means of communication, for a thousand purposes, and the landlord often refuses to grant such altogether, or charges an exorbitant price for the privilege. He has refused sites to churches from sectarian reasons; for labourers' cottages in rural districts for fear of increasing the poor-rate; in small towns with a growing trade from purely sentimental objections to their growth; he has refused rights of way to people in search of pure air, for fear they disturbed his game, and he has enclosed ancient paths and commons which had been the enjoyment of all from immemorial time. I do not speak of the ground rent in large cities where owners are numerous, because that, though a question of great magnitude, involves peculiarities that separate it from the allied question of rural ground-rent, and make it more advantageously treated on its own basis. But in country districts where owners are few, and the possession of land therefore confers on one man power of many sorts over the growth and comfort of a whole community, that power ought certainly to be closely controlled by the State. Its tyrannical exercise has probably done more than anything else to excite popular hostility against landlordism, and to lend strength to the present crusade for the total abolition of private property in land. But here again the cure is far too drastic for the disease. What is needed is merely the prevention of abuses in the management of land,

and that will be accomplished better by regulations in the interest of the community than by any scheme of complete nationalization. A sound land reform must—in this country at least—set its face in precisely the contrary direction. It must aim at multiplying, instead of extirpating, the private owners of land, and at nursing by all wise and legitimate means the growth of a numerous occupying proprietary. State ownership by itself is no better guarantee than private ownership by itself for the most productive possible use of the land: indeed, if we judge from the experience of countries where it is practised, it is a much worse one; but by universal consent the best and surest of all guarantees for the highest utilization of the land is private ownership, coupled with occupation by the owner.

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